NEW ISSUE – BOOK ENTRY ONLY

RATINGS:
Moody's: Aa3
Standard & Poor's: AA
Fitch: AA-
(See "RATINGS," herein)

Subject to compliance by the County with certain covenants, in the opinion of Co-Bond Counsel, under present law, interest on the Series 2012C Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Interest on the Taxable Series 2012D Bonds is includable in gross income of the owners thereof for federal income tax purposes. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX MATTERS" herein for a more complete discussion.

$409,940,000
THE COUNTY OF COOK, ILLINOIS

$380,530,000 GENERAL OBLIGATION REFUNDING BONDS, Series 2012C	$29,410,000 TAXABLE GENERAL OBLIGATION REFUNDING BONDS, Series 2012D

Dated: Date of Issuance **Due: See Inside Cover**

The General Obligation Refunding Bonds, Series 2012C (the "**Series 2012C Bonds**") and the Taxable General Obligation Refunding Bonds, Series 2012D (the "**Taxable Series 2012D Bonds**" and together with the Series 2012C Bonds, the "**Bonds**") are direct and general obligations of The County of Cook, Illinois (the "**County**"). The full faith and credit of the County is pledged to the punctual payment of principal of and interest on the Bonds. Direct annual ad valorem taxes have been levied on all taxable real property in the County in amounts sufficient to pay principal of and interest on the Bonds as those amounts come due. These taxes may be extended for collection without limitation as to rate or amount. Collections of such taxes are to be deposited directly by the County Collector with Seaway Bank and Trust Company, Chicago, Illinois, as trustee (the "**Trustee**"), for the purpose of paying principal of and interest on the Bonds. The Bonds are being offered for sale in book-entry only form and will be registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("**DTC**"). DTC will act as securities depository for the Bonds.

The Bonds are being issued to provide funds to be used with other moneys to (i) refund all or a portion of certain maturities of certain outstanding general obligation bonds of the County and (ii) pay certain costs of issuance of the Bonds.

The Bonds are issuable in denominations of $5,000 and any integral multiples thereof. Interest on the Bonds is payable on each May 15 and November 15 beginning May 15, 2013. The principal of the Bonds is payable at the principal office maintained for that purpose by the Trustee or its successor. Interest on the Bonds, together with the principal of the Bonds, will be paid by the Trustee directly to DTC so long as DTC or its nominee is the registered owner of the Bonds. The final disbursements of such payments to the Beneficial Owners (as defined herein) will be the responsibility of the DTC participants or indirect participants. See "THE BONDS – Book Entry Only System" for more information.

The Series 2012C Bonds are subject to redemption prior to maturity as described herein. The Taxable Series 2012D Bonds are not subject to redemption prior to maturity.

Maturities, Principal Amounts, Interest Rates, Prices and CUSIP Numbers are set forth on the inside cover page.

The Bonds are offered when, as and if issued and accepted by the Underwriters and subject to delivery of separate approving legal opinions by Chapman and Cutler LLP, Chicago, Illinois, and Pugh, Jones & Johnson, P.C., Chicago, Illinois, Co-Bond Counsel. Certain legal matters will be passed upon for the Underwriters by SNR Denton US LLP, Chicago, Illinois, and Sanchez Daniels & Hoffman LLP, Chicago, Illinois, Co-Underwriters' Counsel. SNR Denton US LLP will also serve as Special Disclosure Counsel to the County with respect to pension disclosure matters. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about December 19, 2012.

CITIGROUP

CABRERA CAPITAL MARKETS, LLC **LOOP CAPITAL MARKETS**

MORGAN STANLEY **SIEBERT BRANDFORD SHANK & CO., L.L.C.** **WILLIAM BLAIR & COMPANY**

Dated: November 29, 2012

MATURITY SCHEDULE

$380,530,000 General Obligation Refunding Bonds, Series 2012C

Maturity (November 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP[†]
2019	$ 3,000,000	4.000%	1.610%	115.559%	213185FY2
2019	14,295,000	5.000	1.610	122.069	213185GJ4
2020	3,000,000	4.000	1.800	116.142	213185FZ9
2020	18,000,000	5.000	1.800	123.480	213185GK1
2021	3,000,000	4.000	2.000	116.239	213185GA3
2021	18,855,000	5.000	2.000	124.359	213185GL9
2022	3,000,000	4.000	2.190	116.037	213185GB1
2022	20,220,000	5.000	2.190	124.898	213185GM7
2023	18,100,000	5.000	2.350	123.294*	213185GC9
2024	77,705,000	5.000	2.440	122.403*	213185GD7
2025	80,915,000	5.000	2.510	121.715*	213185GE5
2026	4,935,000	5.000	2.560	121.226*	213185GF2
2027	4,945,000	5.000	2.620	120.643*	213185GG0
2028	4,955,000	5.000	2.670	120.160*	213185GH8
2029	25,000,000	4.000	2.890	109.500*	213185GN5
2029	55,365,000	5.000	2.690	119.967*	213185GP0

$25,240,000 5.000% Term Bonds due November 15, 2033 Yield 2.910%* Price 117.871% CUSIP[†]: 213185GQ8

* Yield to first optional redemption date of November 15, 2022.

$29,410,000 Taxable General Obligation Refunding Bonds, Series 2012D

Maturity (November 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP[†]
2014	$ 5,200,000	0.550%	0.550%	100%	213185GR6
2018	16,950,000	2.030	2.030	100	213185GS4
2019	7,260,000	2.280	2.280	100	213185GT2

[†] Copyright 1999 – 2011, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. The CUSIP numbers listed are being provided solely for the convenience of the bondholders only at the time of issuance of the Bonds and the County does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to change after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement. Any such other information or representations must not be relied upon as statements of the County or of the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale. The information set forth in this Official Statement is not guaranteed as to accuracy or completeness. Unless otherwise indicated, the County is the source of the tables and statistical and financial information contained in this Official Statement, except information relating to governmental bodies other than the County, which has been obtained from those governmental bodies or from other sources. The information and opinions expressed in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of Bonds made under it shall, under any circumstances, create any implication that there has been no change in the financial condition or the operations of the County since the date of this Official Statement. The County is not making any representations regarding its financial condition beyond the date of the auditor's opinion nor, for interim financial information presented, beyond the date of this Official Statement.

This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Official Statement. Where statutes, resolutions, reports or other documents are referred to in this Official Statement, reference is made to those items for more complete information.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE BOND ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

In connection with this offering, the Underwriters may overallot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing transactions, if begun, may be ended or interrupted at any time without notice. The Underwriters may offer and sell the Bonds to certain dealers and dealer banks and banks acting as agents at prices lower or yields higher than the public offering prices or yields stated on the inside cover page hereof and said public offering prices and yields may be changed from time to time by the Underwriters without notice.

THE COUNTY OF COOK, ILLINOIS

PRESIDENT

Hon. Toni Preckwinkle

CHAIRMAN, COMMITTEE ON FINANCE

John P. Daley

MEMBERS OF THE BOARD OF COMMISSIONERS

William M. Beavers
Jerry Butler
Earlean Collins
John P. Daley
John A. Fritchey
Bridget Gainer
Jesus G. Garcia
Elizabeth Ann Doody Gorman
Gregg Goslin
Joan P. Murphy
Edwin Reyes
Timothy O. Schneider
Peter N. Silvestri
Deborah Sims
Robert L. Steele
Larry Suffredin
Jeffrey R. Tobolski

COUNTY TREASURER
EX-OFFICIO COUNTY COLLECTOR

Hon. Maria Pappas

CHIEF FINANCIAL OFFICER

Tariq Malhance

COUNTY COMPTROLLER

Reshma Soni

OVERVIEW

This Overview does not purport to be complete and is presented solely for the convenience of the reader. This Overview is for informational purposes only and is subject to the more complete discussion contained in the Official Statement. Capitalized terms used in this Overview are defined in the Official Statement.

Issuer	The County of Cook, Illinois (the "**County**"). The population of the County is currently estimated at 5,194,675, making it the second largest county in the United States. The County performs three principal functions: the protection of persons and property, the provision of public health services and the provision of general government services including, among others, the assessment of property, levy, collection and distribution of taxes and maintenance of certain highways. The County is a home rule unit of government under the 1970 Constitution of the State of Illinois, whose powers are exercised through the President, as Chief Executive Officer, and a 17-member Board of Commissioners (the "**County Board**"). The Commissioners are elected from single member districts to four-year terms, while the President is elected by the voters of the entire County to a four-year term. The terms of the present members of the County Board, including the President, expire in December, 2014. The President of the County Board and the members of the County Board have the responsibility for administration of the financial affairs of the County. For a more complete discussion of the County and its operations, see "THE COUNTY."
Authority	The Bonds are being issued pursuant to the County's home rule powers under the 1970 Constitution of the State of Illinois and an authorizing ordinance adopted by the County Board on July 27, 2011, as amended, and as supplemented by a 2012C/D Bond Order and Notification of Sale (the "**Bond Order**") delivered by the County. The ordinance and the Bond Order are referred to herein as the "**Bond Ordinance**."
The Bonds	$380,530,000 General Obligation Refunding Bonds, Series 2012C and $29,410,000 Taxable General Obligation Refunding Bonds, Series 2012D.
Ratings	Moody's Investors Service ("**Moody's**"), Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**"), and Fitch Ratings ("**Fitch**") have assigned their long-term ratings of Aa3, AA and AA-, respectively, to the Bonds. See "RATINGS."
Plan of Finance	Proceeds of the Bonds will be used to (i) refund all or a portion of certain maturities of outstanding general obligation bonds of the County, and (ii) to pay certain costs of issuance of the Bonds. See "PLAN OF FINANCE."
Security for the Bonds	The full faith and credit of the County are irrevocably pledged to the punctual payment of the principal of and interest on the Bonds. The Bonds are direct and general obligations of the County and the County is obligated and covenants and agrees in the Bond Ordinance to levy ad valorem taxes upon all the taxable property in the County for the payment of the Bonds and the interest thereon, without limitation as to rate or amount (the "**Pledged Taxes**"). An account for the Series 2012C Bonds will be established as the "General Obligation Refunding Bonds, Series 2012C, Bond Fund" and an account for the Taxable Series 2012D Bonds will be established as the "Taxable General Obligation Refunding Bonds, Series 2012D, Bond Fund" under the Bond Ordinance (together, the "**Bond Fund**"). All Pledged Taxes will be deposited by the Trustee into the appropriate account and applied to pay principal of and interest on the applicable series of the Bonds.

	Interest or principal coming due at any time when there are insufficient funds on hand from the Pledged Taxes to pay the same will be paid promptly by the County when due from current funds on hand and when the Pledged Taxes have been collected, reimbursement will be made to said funds in the amount so advanced. See "SECURITY FOR THE BONDS." For a discussion of the levy and extension procedures for the ad valorem taxes levied by the County for the payment of the Bonds, see "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES." For a discussion of the establishment and operation of the Bond Fund, see "APPENDIX F – Summary of Certain Provisions of the Bond Ordinance – Bond Fund."
Interest Payment Dates	Interest on the Bonds will be payable on each May 15 and November 15, beginning May 15, 2013, until maturity or earlier redemption. Interest is computed on the basis of a 360-day year consisting of twelve 30-day months at the rates set forth on the inside cover of the Official Statement.
Redemption	The Series 2012C Bonds are subject to redemption prior to maturity at the times and at the redemption prices determined as described in the Official Statement. The Taxable Series 2012D Bonds are not subject to redemption prior to maturity. See "THE BONDS – Redemption."
Trustee	Seaway Bank and Trust Company, Chicago, Illinois, will serve as Trustee and Paying Agent.
Book-Entry Form and Denominations	The Bonds will be issued in fully registered book-entry form in denominations of $5,000 or any integral multiple thereof.
Tax Matters	In the opinion of Chapman and Cutler LLP, Chicago, Illinois and Pugh, Jones & Johnson, P.C., Chicago, Illinois, Co-Bond Counsel, subject to compliance by the County with certain covenants, under present law, interest on the Series 2012C Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Interest on the Taxable Series 2012D Bonds is includable in gross income of the owners thereof for federal income tax purposes. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX MATTERS."
Delivery	The Bonds are expected to be available for delivery through the facilities of DTC in New York, New York on or about December 19, 2012.
Legal Matters	Certain legal matters will be passed upon for the parties to the financing as set forth on the cover page to the Official Statement.
Additional Information	Additional information may be obtained upon request to the County's Chief Financial Officer, 118 North Clark Street, Room 1127, Chicago, Illinois 60602, telephone (312) 603-5287 or facsimile (312) 603-3681.

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OFFICIAL STATEMENT

$409,940,000
THE COUNTY OF COOK, ILLINOIS

$380,530,000 GENERAL OBLIGATION REFUNDING BONDS, Series 2012C	$29,410,000 TAXABLE GENERAL OBLIGATION REFUNDING BONDS, Series 2012D

INTRODUCTION

General

This Official Statement is furnished by The County of Cook, Illinois (the "**County**"), to provide information about its $380,530,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2012C (the "**Series 2012C Bonds**") and $29,410,000 aggregate principal amount of Taxable General Obligation Refunding Bonds, Series 2012D (the "**Taxable Series 2012D Bonds,**" and together with the Series 2012C Bonds, the "**Bonds**"). The Bonds are being issued pursuant to the County's home rule powers under the 1970 Constitution of the State of Illinois (the "**Illinois Constitution**") and an authorizing ordinance adopted by the Board of Commissioners of the County (the "**County Board**") on July 27, 2011, as amended (said ordinance, as supplemented by a 2012C/D Bond Order and Notification of Sale, the "**Bond Ordinance**").

The Bonds are direct and general obligations of the County. The full faith and credit of the County has been pledged to the punctual payment of the principal of and interest on the Bonds. The County has levied ad valorem real property taxes in an amount that will be sufficient to provide for the payment of the principal of and interest on the Bonds as those amounts come due. These taxes are required to be extended for collection against all taxable real property within the County, and may be levied without limitation as to rate or amount. Collections of the Pledged Taxes (as hereinafter defined) are to be deposited directly by the County Collector with Seaway Bank and Trust Company, Chicago, Illinois, as trustee (the "**Trustee**") for the Bonds, for the purpose of paying principal of and interest on the Bonds. See "SECURITY FOR THE BONDS."

The Bonds are being issued to provide funds to be used with other moneys to (i) refund all or a portion of the principal of and/or interest on certain maturities of outstanding general obligation bonds of the County, and (ii) pay certain costs of issuance of the Bonds, all as more particularly described herein. See "PLAN OF FINANCE."

Additional Information

Certain factors concerning the Bonds are described throughout this Official Statement, which should be read in its entirety. All references herein to laws, ordinances, resolutions, agreements and documents are qualified in their entirety by reference to the definitive forms thereof, and all references to the Bonds are further qualified by reference to the information with respect thereto contained in the Bond Ordinance.

All statements, information and statistics contained in this Official Statement are believed to be correct but are not guaranteed by the County, the Underwriters (as set forth in the cover page hereof), Co-Bond Counsel, Co-Underwriters' Counsel, the Co-Financial Advisors (as defined under the heading "CO-FINANCIAL ADVISORS") or the Trustee, and all expressions of opinion, whether or not expressly so stated, are intended merely as such and not as representations of fact. The information contained herein regarding The Depository Trust Company, New York, New York ("**DTC**") and the global book-entry system (the "**Book-Entry Only System**") was provided by DTC and has not been verified by the County, the Underwriters, Co-Bond Counsel, Co-Underwriters' Counsel, the Co-Financial Advisors or the Trustee. The information contained herein is provided as of the date hereof and is subject to change.

The projections set forth in this Official Statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the County's management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the County. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the prospective financial information. Neither the County's independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability and disclaim any association with, the prospective financial information. Neither the County's independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the prospective financial information set forth in this Official Statement, which is solely the product of the County, and the independent auditors assume no responsibility for its content.

Copies of statutes, ordinances, resolutions or other documents referred to in this Official Statement are available, upon request, from the County's Chief Financial Officer (the "**Chief Financial Officer**"), 118 North Clark Street, Room 1127, Chicago, Illinois 60602, telephone (312) 603-5287 or facsimile (312) 603-3681.

THE BONDS

General

The Bonds are dated their date of issuance (the "**Date of Issuance**") and bear interest at the rates per annum set forth on the inside cover page hereof and are issuable as fully registered Bonds without coupons. The Bonds will mature on November 15 of the years and in the principal amounts as set forth on the inside cover page hereof and are subject to redemption prior to maturity at the times and at the redemption prices determined as described under "THE BONDS – Redemption." The Taxable Series 2012D Bonds are not subject to redemption prior to maturity. The Bonds will initially be registered through the Book-Entry Only System operated by DTC. Details of payments of the Bonds when in the book-entry only form and the Book-Entry Only system are described in APPENDIX C hereto.

Interest on the Bonds is payable on each May 15 and November 15, beginning May 15, 2013. The Bonds will be issued in denominations of $5,000 or integral multiples thereof.

Each Bond will bear interest from the later of the Date of Issuance or the most recent interest payment date to which interest has been paid or duly provided for. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve-30 day months.

Redemption

Optional Redemption. The Series 2012C Bonds maturing on and after November 15, 2023 are subject to optional redemption on November 15, 2022, and on any date thereafter in whole or in part and, if in part, in such principal amounts and from such maturities as may be determined by the County, at a redemption price of par, without premium, plus accrued interest on such Series 2012C Bonds to the date fixed for redemption.

Mandatory Redemption. The Series 2012C Bonds maturing on November 15, 2033 are Term Bonds and are subject to mandatory redemption prior to maturity, by lot, at a redemption price of par, without premium, plus accrued interest to the date fixed for redemption on November 15 of the years and in the principal amounts as set forth below:

Year (November 15)	Principal Amount
2030	$ 240,000
2031	250,000
2032	3,750,000
2033 (maturity)	21,000,000

In connection with any mandatory redemption of Term Bonds, the principal amounts of such Term Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Term Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the Chief Financial Officer may determine. In the absence of such determination, partial optional redemptions of such Term Bonds shall be credited against future mandatory redemption requirements in inverse chronological order of such payments beginning with the amount scheduled to become due at stated maturity, then the amount subject to mandatory redemption in the year preceding stated maturity, and so on. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Trustee may, and if directed by the Chief Financial Officer shall, purchase Term Bonds of such maturities in an amount not exceeding the amount of such Term Bonds required to be retired on such mandatory redemption date and at a price not exceeding par plus accrued interest. Any such Term Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the payment required on such next mandatory redemption date.

Notice of Redemption. Unless waived by the registered owners of Series 2012C Bonds to be redeemed, notice of redemption shall be given by the Trustee on behalf of the County by mailing the redemption notice by first class U. S. mail not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each registered owner of the Series 2012C Bonds to be redeemed at the address shown on books for the registration and transfer of the Series 2012C Bonds to be kept by the Trustee on behalf of the County (the "**Bond Register**") or at such other address as is furnished in writing by such registered owner to the Trustee. Neither the failure to mail such notice nor any defect in any notice so mailed to any particular registered owner of Series 2012C Bonds shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner to receive such notice will not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice.

All official notices of redemption shall identify the Series 2012C Bonds or portions thereof to be redeemed and will state (a) the redemption date, (b) the redemption price, (c) if less than all of the Outstanding Series 2012C Bonds of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds within such maturity, the respective principal amounts) of the Bonds to be redeemed, (d) a statement that on the redemption date the redemption price will become due and payable upon each such Series 2012C Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the date fixed for redemption, and (e) the place where such Series 2012C Bonds are to be surrendered for payment of the redemption price, which place of payment will be the office designated for such purpose by the Trustee.

Unless moneys sufficient to pay the redemption price of the Series 2012C Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice of optional redemption may, at the option of the County, state that the redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received, the redemption notice shall be of no force and effect, the County shall not redeem such Series 2012C Bonds, and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not received and that such Bonds will not be redeemed.

Redemption Payments; Effect of Deposit of Redemption Moneys. Official notice of redemption having been given, the Series 2012C Bonds or portions thereof to be redeemed shall, unless such notice states that such redemption is conditional as described above, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the County shall default in the payment of the redemption price) such Series 2012C Bonds or portions thereof shall cease to bear interest. If any Series 2012C Bonds or portion thereof called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion thereof so called for redemption.

Partial Redemption. If less than all of the Series 2012C Bonds of a single maturity are to be redeemed prior to maturity, the particular Series 2012C Bonds of such maturity to be redeemed shall be selected by lot by the Trustee for the Bonds of such maturity by such method of lottery as the Trustee shall deem fair and appropriate (see APPENDIX C for information regarding DTC's customary procedures and practices for selecting book-entry bonds for redemption); provided, that such lottery shall provide for the selection for redemption of Series 2012C Bonds or portions thereof so that each $5,000 principal amount of such Series 2012C Bond shall be as likely to be called for redemption as any other such $5,000 portion.

Book-Entry Only System

DTC will act as Securities Depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of each such maturity of the Bonds, and will be deposited with DTC. The Bonds will initially be available for purchase only in book-entry only form in authorized denominations.

In reading this Official Statement it should be understood that, while the Bonds are in the Book-Entry Only System, references in other sections of this Official Statement to registered owners should be read to include the Beneficial Owner, but (a) all rights of ownership must be exercised through DTC and the Book-Entry Only System, (b) notices that are to be given to registered owners by the County or the Trustee will be given only to DTC and (c) the method of selecting Bonds for redemption in the event Bonds of a single maturity are to be redeemed prior to maturity will be governed by DTC procedures. Information about the Book-Entry Only System and DTC is set forth in APPENDIX C.

Provisions Applicable When Not in Book-Entry System

The following two paragraphs apply to the Bonds when not in the Book-Entry System:

The Trustee will be the registrar for the Bonds. Bonds may be transferred upon surrender of such Bonds at the principal office maintained for the purpose by the Trustee, together with an assignment satisfactory to the Trustee, duly executed by such holder or such holder's duly authorized attorney. The Bonds may be exchanged at the principal office maintained for the purpose by the Trustee for a like aggregate principal amount of Bonds in authorized denominations. The Trustee shall not be required to transfer or exchange any Bond after notice calling such Bond or portion of such Bond for redemption has been mailed or during the 15 day period preceding the mailing of notice calling the Bonds for redemption. The Trustee will charge to the owner for every such transfer and every exchange of a Bond sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer or exchange. Notwithstanding the foregoing, when Bonds are held in the Book-Entry System, transfers of beneficial ownership for the Bonds will be made pursuant to rules and procedures established by the Securities Depository.

The principal or redemption price of the Bonds is payable, upon surrender of such Bonds, at the principal office maintained for the purpose by the Trustee. Interest on the Bonds will be paid to the registered owner as of the close of business on the record date with respect to an interest payment date, by check or draft mailed on the applicable interest payment date. If and to the extent there shall be a default in the payment of the interest due with respect to any Bonds on such interest payment date, such defaulted interest shall be paid to the related Bondholders in whose names any such Bonds (or any Bond or Bonds issued upon registration of transfer or exchange thereof) are registered at the close of business on the business day next preceding the date of payment of such defaulted interest.

SECURITY FOR THE BONDS

The full faith and credit of the County are irrevocably pledged to the punctual payment of the principal of and interest on the Bonds. The Bonds are direct and general obligations of the County and the County is obligated and covenants and agrees in the Bond Ordinance to levy ad valorem taxes upon all the taxable property in the County for the payment of the Bonds and the interest thereon, without limitation as to rate or amount. The Bonds comprise a portion of the general obligation bonds authorized by the Bond Ordinance to be issued for various County financial management projects and refunding purposes.

For the purpose of providing the funds required to pay the principal of and interest on the Bonds promptly as the same become due, there is levied by the Bond Ordinance upon all taxable property in the County a direct annual tax (the "**Pledged Taxes**") which, together with the receipts, if any, of taxes levied and collected for the payment of the Refunded Bonds (as defined below) will be applied to pay principal of and interest on the Bonds. The County has pledged the Pledged Taxes to secure the Bonds. All receipts of the Pledged Taxes received by the County Collector shall be deposited daily, as far as practicable, with the Trustee. All other moneys appropriated or used by the County for the payment of the principal or redemption price of and interest on the Bonds shall be paid to the Trustee. Interest or principal coming due at any time when there are insufficient funds on hand from the Pledged Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Taxes; and when the Pledged Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced. All Pledged Taxes, and all such moneys, shall be deposited by the Trustee into the "General Obligation Refunding Bonds, Series 2012C, Bond Fund" or into the "Taxable General Obligation Refunding Bonds, Series 2012D, Bond Fund," as applicable, created under the Bond Ordinance (together, the "**Bond Fund**") and shall be applied to pay principal of and interest on the Bonds. See "APPENDIX E – Summary of Certain Provisions of the Bond Ordinance – Bond Fund."

In the Bond Ordinance, the County covenants and agrees with the purchasers and registered owners of the Bonds that so long as any of the Bonds remain outstanding, the County will take no action or fail to take any action which in any way would adversely affect the ability of the County to levy and collect the Pledged Taxes. The County and its officers have covenanted to comply with all present and future applicable laws in order to assure that the Pledged Taxes will be levied, extended and collected as provided in the Bond Ordinance and deposited into the Bond Fund.

Whenever and only when other funds from any lawful source are made available for the purpose of paying any principal of and interest on the Bonds so as to enable the abatement of the Pledged Taxes levied by the Bond Ordinance for the payment thereof, the County Board shall, by proper proceedings, direct the deposit of such funds into the Bond Fund and further shall direct the abatement of the Pledged Taxes by the amount so deposited.

The Pledged Taxes and other moneys, securities and funds so pledged are required by the Bond Ordinance to be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Bond Ordinance. The County is required at all times, to the extent permitted by law, to defend, preserve and protect the pledge of the Pledged Taxes and other moneys, securities and funds pledged under the Bond Ordinance and all the rights thereto of the holders of the Bonds under the Bond Ordinance against all claims and demands of all persons whomsoever.

In the event of a failure to pay the principal of and interest on the Bonds when due, or the occurrence of any other "Event of Default" under the Bond Ordinance, the Trustee may, and upon the written request of the registered owners of twenty-five percent (25%) in principal amount of Bonds affected by the Event of Default and then outstanding, shall enforce the rights of the holders of the Bonds. See "APPENDIX E – Summary of Certain Provisions of the Bond Ordinance – Events of Default" and " – Remedies."

For a discussion of additional financings currently contemplated by the County, see "FUTURE FINANCINGS" herein.

PLAN OF FINANCE

Refunding

A portion of the proceeds of the Bonds will be used to refund all or a portion of certain maturities of outstanding general obligation bonds of the County. The general obligation bonds being refunded by the Bonds are collectively referred to herein as the "**Refunded Bonds**" and are described in the following tables:

Outstanding Bonds Refunded by Series 2012C Bonds

Refunded Bond Series	CUSIP	Maturity (November 15)	Call Date	Coupon (%)	Principal Amount Refunded
2002C	213183U20	2023	12/28/12	5.000	$ 9,000,000
2002C	213183U38	2025*	12/28/12	5.000	148,810,000
2002D	213183Y91	2014	12/28/12	5.250	19,150,000
2002D	213183Z25	2015	12/28/12	5.250	8,875,000
2002D	213183Z33	2016	12/28/12	5.250	9,355,000
2002D	213183Z41	2018	12/28/12	5.250	11,135,000
2002D	213183Z58	2019	12/28/12	5.250	11,760,000
2002D	213183Z66	2020	12/28/12	5.250	12,420,000
2002D	213183Z74	2021	12/28/12	5.250	13,140,000
2002D	213183Z82	2022	12/28/12	4.750	14,350,000
2004A	2131835G7	2015	5/15/14	5.000	7,930,000
2004A	2131835H5	2016	5/15/14	5.000	8,315,000
2004A	2131835J1	2017	5/15/14	5.000	11,855,000
2004A	2131835K8	2018	5/15/14	5.000	7,260,000
2004A	2131835L6	2019	5/15/14	5.000	7,615,000
2004A	2131835M4	2020	5/15/14	5.000	3,635,000
2004A	2131835N2	2021	5/15/14	5.000	3,820,000
2004A	2131835P7	2022	5/15/14	5.000	4,020,000
2004A	2131835Q5	2023	5/15/14	5.000	4,225,000
2004B	2131835Y8	2015	11/15/14	5.250	4,500,000
2004B	2131835Z5	2016	11/15/14	5.250	4,500,000
2004B	2131836A9	2017	11/15/14	5.250	4,500,000
2004B	2131836B7	2018	11/15/14	5.250	4,500,000
2004B	2131836C5	2019	11/15/14	5.250	4,500,000
2004B	2131836D3	2020	11/15/14	5.250	4,500,000
2004B	2131836E1	2021	11/15/14	5.000	4,500,000
2004B	2131836F8	2022	11/15/14	5.000	4,500,000
2004B	2131836G6	2023	11/15/14	5.000	4,500,000
2004B	2131836H4	2024	11/15/14	5.000	4,500,000
2004B	2131836J0	2025	11/15/14	5.000	4,500,000
2004B	2131836K7	2026	11/15/14	5.250	4,500,000
2004B	2131836L5	2027	11/15/14	5.250	4,500,000
2004B	2131836M3	2028	11/15/14	5.250	4,500,000
2004B	2131836N1	2029	11/15/14	5.000	79,900,000
			Total Refunded		**$459,570,000**

* Includes sinking fund payment of $72,810,000 due November 15, 2024.

Outstanding Bonds Refunded by Taxable Series 2012D Bonds

Refunded Bond Series	CUSIP	Maturity (November 15)	Purchase Date	Coupon (%)	Principal Amount Refunded
2011C	213185EX5	2033*	12/19/12	6.205	$ 24,250,000
			Total Refunded		**$24,250,000**

* Includes sinking fund payment of $3,485,000 due November 15, 2032.

To provide for the payment and retirement of the portion of the Refunded Bonds being refunded with the proceeds of the Series 2012C Bonds, proceeds of the Series 2012C Bonds will be used to purchase securities constituting (a) a direct obligation of, or any obligation the timely payment of principal of and interest on which is fully and unconditionally guaranteed by, the United States of America or (b) obligations issued or guaranteed by any of the following agencies, provided that such obligations are backed by the full faith and credit of the United States of America: Export-Import Bank of the United States direct obligations or fully guaranteed certificates of beneficial ownership; Federal Financing Bank; Farmers Home Administration certificates of beneficial ownership; Federal Housing Administration Debentures; Government National Mortgage Association guaranteed mortgage-backed bonds; General Services Administration participation certificates; United States Maritime Administration obligations guaranteed under Title XI; New Communities Debentures; United States Public Housing Notes and Bonds; and United States Department of Housing and Urban Development Project Notes and Local Authority Bonds, in each case not subject to redemption at the option of the County (collectively, the "**Defeasance Obligations**"). The principal of and interest on the Defeasance Obligations will be sufficient (i) to pay when due the interest on such Refunded Bonds to their respective maturity or redemption dates and (ii) to pay or redeem such Refunded Bonds on their respective maturity or redemption dates at their respective principal amounts or redemption prices.

The Defeasance Obligations purchased with the proceeds of the Series 2012C Bonds will be held in one or more escrow accounts (collectively, the "**Escrow Account**"). Neither the maturing principal of the Defeasance Obligations nor the interest to be earned thereon will serve as security or be available for the payment of the principal of or the interest on the Bonds.

The mathematical computation of (i) the adequacy of the Escrow Account to provide for payments on the Refunded Bonds as described above and (ii) the actuarial yields on the Bonds and the Defeasance Obligations will be verified at the time of the delivery of the Bonds by Robert L. Thomas CPA, LLC. See "CERTAIN VERIFICATIONS."

The portion of the Refunded Bonds being refunded with the proceeds of the Taxable Series 2012D Bonds will be purchased directly from their current holders on December 19, 2012.

SOURCES AND USES

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Bonds and the implementation of the Plan of Finance described above:

SOURCES OF FUNDS	Series 2012C Bonds	Taxable Series 2012D Bonds
Par Amount of Bonds	$380,530,000	$29,410,000
Original Issue Premium	79,130,493	-
Other lawfully available funds	11,664,705	-
Total Sources of Funds	$471,325,198	$29,410,000
USES OF FUNDS		
Refunding of Refunded Bonds	$468,802,154	29,242,112
Costs of Issuance[1]	2,523,044	167,888
Total Uses of Funds	$471,325,198	$29,410,000

[1] Includes Underwriter's Discount.

COOK COUNTY

General Description

The County of Cook (the "**County**") was created on January 15, 1831 by an act of the Illinois State Legislature and became the 54th county established in Illinois. On May 7, 1831, the County elected its first officials. The population of the County is currently estimated at 5,194,675, making it the second largest county in the United States.

Within Cook County, there are 128 municipalities, including the City of Chicago (the "**City**"), 30 townships, 236 special districts, and 152 school districts. The City and the suburban municipalities account for approximately 85% of the County's 946 square miles, while unincorporated areas make up the remaining 15%. The unincorporated areas of the County are under the jurisdiction of the County Board. The City has a population of 2,883,321, which is 56.0% of the County's estimated 2010 population. Approximately 47.5% of the Equalized Assessed Valuation of taxable property in the County is located in the City. Nine other municipalities located in the County have populations in excess of 55,000, based on the 2010 Census: Arlington Heights, Cicero, Des Plaines, Evanston, Mount Prospect, Palatine, Schaumburg, Skokie and Oak Lawn. These are generally located in the north and northwestern areas of the County, with the exception of Oak Lawn, which is located in the southern region of the County.

Under the Illinois Constitution, the County is a home rule unit of government and, except as limited by State law, may exercise any power and perform any function relating to its government and affairs, including the power to borrow money and levy taxes. There are no current statutory limitations on the power of the County to levy real property taxes or to issue general obligation bonds or notes. However, the Illinois Constitution contains a provision that limits the maturity of County debt payable from ad valorem property taxation to 40 years.

The County's powers are exercised through a 17-member Board of Commissioners. The County Board is the legislative authority which is led by its President. The Commissioners are elected from single member districts to four-year terms, while the President is elected by the voters of the entire County to a four-year term.

Among the residents of the County, 24.3% are under 18 years of age, 11.7% are over 65 years of age and 51.3% of the population is female. Of the population 25 or older, 82.7% are high school graduates and 32.7% are college graduates.

The per capital personal income in 2010 was $45,311, while 16.0% of the population was below the poverty line. The unemployment rate for the County for 2011 was 10.4%. This compares with 9.8% for the State for 2011 and 8.9% for the current national average for the same period.

The County shares an overlapping tax base with the City of Chicago, the Board of Education of the City of Chicago (the "**Chicago Board of Education**"), the Metropolitan Water Reclamation District of Greater Chicago (the "**Metropolitan Water Reclamation District**"), the Forest Preserve District of Cook County (the "**Forest Preserve District**"), the Chicago Park District, the Cook County Community College District No. 508 (the "**Chicago City Colleges**") and various municipalities and local school, library and park districts within the boundaries of the County. See “OTHER LOCAL GOVERNMENTAL UNITS.”

Principal Functions of Cook County Government

The County presently performs three principal functions: the protection of persons and property; the provision of public health services; and general governmental services including, among others, the assessment of property, levy, collection and distribution of taxes and maintenance of certain highways.

Protection of Persons and Property (Public Safety Fund). Protection of persons and property consists mainly of the operation of the Circuit Court of Cook County, prosecution of persons charged with criminal offenses, operation of the County Jail and operation of a Sheriff’s police department. The Circuit Court of Cook County is the second largest unified court system in the United States, and the County Jail is the largest single site jail facility in the country.

*Cook County Health and Hospitals Systems (“**CCHHS**”) (Health Fund) – General*. The CCHHS operates a health care delivery system composed of the following elements: John H. Stroger, Jr. Hospital of Cook County, Provident Hospital of Cook County, Oak Forest Health Center of Cook County, the Ambulatory and Community Health Network of Cook County, Cermak Health Services of Cook County, the Ruth M. Rothstein CORE Center and the Cook County Department of Public Health.

The CCHHS is the third largest hospital system in the United States operated by a unit of local government and is the largest provider of medical care to the uninsured, underinsured and Medicaid populations within the State of Illinois.

John H. Stroger, Jr. Hospital of Cook County (“**Stroger Hospital**”), which opened in December 2002 and replaced the old Cook County Hospital, is located on the West side of Chicago and is currently operating 464 beds. The hospital is the tertiary hub of the CCHHS, providing a full array of highly specialized services, including the City of Chicago’s largest Level 1 Trauma center, Neonatology intensive care unit, and HIV/AIDS service. Stroger Hospital receives referrals from throughout the CCHHS as well as from other institutions around the County. Its emergency services are the largest in the Midwest, with approximately 137,000 visits in FY 2011.

Provident Hospital of Cook County is a community teaching hospital located on the South side of Chicago. Currently staffed for 25 beds, Provident Hospital of Cook County had approximately 4,030 admissions in FY 2011. Provident Hospital of Cook County’s emergency department is one of the busiest in Chicago with more than 36,000 visits in FY 2011.

During 2011 the Illinois Health Facilities and Review Board approved the County’s plan to convert Oak Forest Hospital of Cook County into an out-patient center to be known as Oak Forest Health Center of Cook County. The suburban Cook County facility will no longer admit patients for long-term care. Instead, the hospital is becoming a regional health center offering out-patient services. The facility includes a 24-hour immediate care center and offer access to primary care doctors, screenings and diagnostic testing.

The Ambulatory and Community Health Network of Cook County operates 17 clinics throughout Chicago and suburban Cook County. Located in hospital, community and school settings, the network experienced 602,100 visits in FY 2011 from largely uninsured patients.

Cermak Health Services of Cook County is the largest single jail health facility in the country, providing a full spectrum of public health, mental health and acute care services for more than 150,000 clinic visits annually.

The Ruth M. Rothstein CORE Center is an outpatient facility dedicated to the care of patients with HIV/AIDS and related infectious diseases. This facility is a collaboration with Rush University Medical Center.

The Cook County Department of Public Health is responsible for the public and environmental health protection of suburban Cook County. In addition to its regulatory and protective functions, the Department provides approximately 132,000 clinical visits (well-baby, communicable disease screenings, etc.) each year. The Department is supported by federal and state grants in addition to County funding.

The CCHHS has also developed partnerships with community hospitals to assure Stroger Hospital's role for tertiary referrals. These relationships include: St. Anthony Hospital, St. Elizabeth's and Roseland Hospitals (partners in specialty pediatric and maternal services). In addition, partnerships exist with community clinics, the Veterans Administration (services for pregnant veterans), and the Chicago Department of Public Health.

CCHHS (Health Fund) – Medicaid Developments. Since 1991, the State and County have cooperated under several Intergovernmental Transfer Agreements (the "**IGT Agreements**") that specify the County's Medicaid reimbursement from the State and the County's fund transfers to the State to finance a portion of the State Medicaid program. In 2000 and 2001, federal legislation was enacted and regulations were promulgated by the federal Center for Medicare and Medicaid Services ("**CMS**") that had the prospective effect of restricting the State's ability to make payments to the County consistent with then-existing IGT Agreements. The federal legislation also substantially increased the State's authority to make disproportionate share hospital ("**DSH**") payments to the County. The IGT Agreements were amended in 2005 to conform to federal regulations and legislation. The IGT Agreements were further amended to implement, retroactive to July 1, 2008, the term of the Illinois Medicaid State Plan Amendment, approved by CMS on December 4, 2008, as that amendment pertains to payments to the health care facilities of the CCHHS, as approved by the County Board on April 15, 2009.

Approximately 57% of CCHHS patients were uninsured or underinsured during 2011. The Illinois Department of Healthcare and Family Services and CCHHS were recently approved for a Section 1115 Medicaid waiver with the Federal Centers on Medicaid and Medicare Services. Under the terms and conditions of the waiver, which is valid through December 31, 2013, County residents with income up to 133% of the Federal Poverty Level ("**FPL**") are now eligible for Medicaid without being subject to an asset test. The demonstration population during the waiver period may receive health care benefits through CCHHS and community partners that CCHHS includes in the provider network for the demonstration.

With respect to eligibility standards, the waiver corresponds to Section 1115 waiver applications from other States that have also been approved, while referencing parallel standards from the Federal Affordable Care Act ("**ACA**") that would be effective in the County on January 1, 2014 in the event that the State of Illinois authorizes an expansion of Medicaid. There can be no assurances that ACA in its current form will be implemented, however the County anticipates that the Section 1115 waiver (Section 1115 refers to the relevant section of Title 19 of the Social Security Act) will remain in effect during the County's FY 2013. Under the terms and conditions of the waiver, it may not be terminated or suspended except for material non-compliance with the terms of the waiver. Waiver authority may be withdrawn (based on grounds other than non-compliance) by the federal government, however the Federal Government must grant the State a hearing to challenge such an action.

Administration of the County

The President of the County Board, the County Board and the County Treasurer share responsibility for the administration of the financial affairs of the County. The President of the County Board appoints, with the approval of the County Board, a Chief Financial Officer and the County Comptroller.

President of the County Board. President Toni Preckwinkle was elected Cook County Board President on November 2, 2010, after having served continuously for 19 years as Chicago City Council Alderman of the 4th Ward. Before her tenure in public office, she taught high school history for ten years, and completed her Master's degree from The University of Chicago. During her service as 4th Ward Alderman, President Preckwinkle sought transparency and accountability in leadership, and through building a professional and responsive ward organization, she successfully advanced funding for education and affordable housing in her ward. She sponsored the Living Wage and Affordable Housing Ordinances, and ordinances to limit the number of payday loan stores. President Preckwinkle's independent and progressive leadership earned her the IVI-IPO Best Alderman Award six times from 1993-2008, and the 1997 and 2009 Leon Despres Awards. Through collaboration, President Preckwinkle is working with the County Board, elected officials and County employees to implement major reforms to reshape County government into a world-class institution founded on a common commitment to fiscal responsibility, innovative leadership, transparency, accountability and improved services.

The President is required to submit to the Committee on Finance of the County Board an Executive Budget that provides the basis upon which the Annual Appropriation Bill is prepared and enacted.

County Board. The County Board is the legislative body for County government. The County Board consists of 17 Commissioners elected for four-year terms. The Commissioners are elected from single member districts. The present Commissioners, all of whose terms expire in December 2014, are as follows:

William M. Beavers
Jerry Butler
Earlean Collins
John P. Daley
John A. Fritchey

Bridget Gainer
Jesus G. Garcia
Elizabeth Ann Doody Gorman
Gregg Goslin
Joan P. Murphy
Edwin Reyes
Timothy O. Schneider
Peter N. Silvestri
Deborah Sims
Robert L. Steele
Larry Suffredin
Jeffrey R. Tobolski

Chairman, Committee on Finance. John P. Daley is the Chairman of the Committee on Finance of the County Board. The Committee on Finance of the County Board consists of all the members of the County Board.

County Treasurer. The County Treasurer is Maria Pappas. The County Treasurer was re-elected November 2, 2010 for a four-year term. The County Treasurer is responsible for the receipt and custody of County funds, and, as ex-officio County Collector, is responsible for the collection and distribution of real property taxes.

Chief Financial Officer. Tariq Malhance joined Cook County Government as Chief Financial Officer in January 2011. He is responsible for the financial oversight of the second largest County in the nation with 23,000 employees and a total estimated annual budget of $3.5 billion. His experience in public-sector finance includes a 25 year tenure with the City of Chicago, where he worked as Comptroller, First Deputy City Treasurer, Managing Deputy Comptroller for Debt and Asset Management, Deputy Comptroller for Financial Policy and Trustee for four of the City's pension funds. During his tenure with the City, Mr. Malhance oversaw approximately $40 billion in debt issuance/management associated with the City's General Obligations; Sales-Tax Revenue; O'Hare and Midway Airports; TIFs; Housing; and Water/Waste bonds. Other major managerial and capital markets initiatives included the first-in-the-nation $1.8 billion public-private partnership involving the Chicago Skyway; the Lease-Leasebacks of the CTA Orange Line and the 911/311 Emergency Management Systems; one of the first $900+ million municipal bond issues for O'Hare International Airport; and the bond financing for the capital construction of Millennium Park.

Before joining Cook County as its CFO, Mr. Malhance was President of UIB Capital in Chicago, a private equity subsidiary of Unicon Investment Bank of Bahrain. In that capacity, he led UIB's successful efforts to source, analyze and propose controlling equity investments in middle market companies in the USA, assess the viability of business plans and identify potential acquisitions, including M & A opportunities. Mr. Malhance received his B.S. in Commerce from the University of Karachi, Pakistan; his B.S.B.A in Finance from Roosevelt University in Chicago; his M.B.A. from Roosevelt University; and his M.A. in Economics from the University of Illinois at Chicago. He also completed his coursework for a Ph.D. in Public Policy Analysis from the University of Illinois at Chicago.

County Comptroller. The County Comptroller is Reshma Soni, who was appointed by the President of the County Board and approved by the County Board effective October 2, 2012. The County

Comptroller authorizes all payments in accordance with the County's Budget, including bi-weekly salary compensation to over 22,000 employees. The County Comptroller, also maintains the financial records and prepares the comprehensive annual financial reports ("**CAFR**") and estimates of revenue for each fiscal year. Ms. Soni has over eight years of experience working in the public sector.

After graduating from the University of Michigan School of Business in 2004 with a Masters in Accounting, Ms. Soni began her career as an auditor with Deloitte & Touche LLP, serving large public sector clients such as the City of Chicago, Chicago Public Schools, Cook County and City Colleges of Chicago. She joined the County in June of 2011 as Director of Financial Reporting and then went on to become Deputy Comptroller prior to her current position as County Comptroller. Ms. Soni is a registered Certified Public Accountant in the State of Illinois.

Other offices. There are eleven additional Cook County governmental offices. Nine of the offices have their own independently elected officers. Two have officers appointed by other officials. The independently elected officials are the Assessor, the three commissioners of the Board of Review, the Clerk of the Circuit Court, the County Clerk, the Recorder of Deeds, the Sheriff, the State's Attorney and the Treasurer. The appointed officials are the Chairman of the Board of Election Commissioners, who is elected by and from the three commissioners who are appointed by the Circuit Court; and the Public Administrator, who is appointed by the Governor of Illinois. Although these offices are directed by their elected and appointed officials, the President and the Board of Commissioners have the primary fiscal responsibilities.

Employees. The County budgeted for the following number of positions for all of its departments in each of the five most recent fiscal years:

Year	Number
2013	22,573
2012	22,994
2011	23,260
2010	24,834
2009	24,454

Approximately 18,000 employees of the County are covered by collective bargaining agreements, the majority of which expire on November 30, 2012. Negotiations for successor collective bargaining agreements have commenced, but no wage adjustments or health care benefits and concessions have been finalized or agreed upon. It is not known at this time when those negotiations will result in ratified successor agreements or what the terms of the successor agreements will be. The County believes that its relationships with its employees, including its unionized employees, are satisfactory.

County's Continuing Capital Improvement Program

Due to the scope and nature of its activities and the need to maintain its current facilities, the County has and will continue to have various ongoing capital improvement projects. The Fiscal Year 2013 Capital Improvement Plan ("**CIP**") 5-year Plan reflects estimated project costs of $652 million, which includes $159 million in 2013 and $112 million in 2014. The proposed CIP allows the County to proceed with a program that focuses on critical needs for CCHHS, the County court system and public safety improvements, as well as strategic program initiatives, facility utilization realignment and real estate disposition as appropriate. The funding for the projects during Fiscal years 2013-2014 will primarily be derived from reprioritization of projects contained in previous CIP plans and the proceeds of earlier borrowings. To coordinate planning and to manage the development of County construction projects, the President of the County Board has appointed a Director of Capital Planning and Policy. The Director reviews all current and planned capital projects.

The County has traditionally contained a capital equipment request with its annual budget proposal, however the County is not anticipating funding additional capital equipment projects in 2013 beyond reprioritization of previously authorized and unspent department requests.

In addition, the County Highway Department has a capital improvement plan, referred to as the County Highway Transportation Plan. For the period 2012 through 2016, the Highway Transportation Plan covers approximately $205 million in projects, which includes $46 million in 2013 and $30 million in 2014 for construction and system maintenance costs. Specifically for the period 2012 through 2014, the plan covers $130 million of projects which will be financed, in large part, from the proceeds of the County's $90,000,000 original principal amount Sales Tax Revenue Bonds, Series 2012 issued in August of 2012.

The Forest Preserve District of Cook County

While the Forest Preserve District is a separate governmental entity from the County, it is coterminous with the County and is governed by a board composed of the members of the County Board. The President of the County Board serves as President of the Forest Preserve District. The Forest Preserve District establishes, maintains and operates forest preserves in the County. Within the forest preserves are numerous recreation facilities including 80 miles of bicycle trails, 10 golf courses and 4 driving ranges. The Brookfield Zoo and the Chicago Botanic Garden, operated by private, not-for-profit organizations, are located on property owned by the Forest Preserve District. The Forest Preserve District includes amounts in its property tax levy to pay a portion of costs of the operations of these two institutions.

The Forest Preserve District, as a non-home rule unit of government, is subject to the State Limitation Law described below under the heading "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES – State and County Limitation Laws." Obligations of the Forest Preserve District are not obligations of the County. The cash of the Forest Preserve District is not commingled with the cash of the County. The Retirement Fund Board (hereinafter defined) for the County serves also as the retirement board for the Forest Preserve District.

The financial operations of the Forest Preserve District are included in the County's Comprehensive Annual Financial Report as a Special Revenue Fund in the Non Major Governmental Funds. See "APPENDIX A – Audited Basic Financial Statements For The Fiscal Year Ended November 30, 2011."

Economic Condition and Outlook

As the largest of 102 counties in the State of Illinois (the "**State**"), the County is the economic and cultural hub of the State, and is one of the major metropolitan areas in the nation after Los Angeles and New York. The County is the most populous county in Illinois.

The County is a diverse industrial center and a leading economic center of the Midwest. Income figures for the County exceed State and national rates; the County's 2010 per capita personal income of $45,311 equaled 109% of national figures.

The County's industrial profile resembles that of the U.S., with a slightly larger services sector and somewhat smaller governmental presence. The County has a strong transportation network, with current expansion of Chicago O'Hare International Airport and the Illinois Tollway. Leading service sector industries in the County include health care and related services. Some of the leading private local employers with regional or national headquarters located in the County are J.P. Morgan Chase & Co., AT&T Inc., United Airlines, Motorola, Inc., Advocate Health Care, American Airlines, Allstate Corp., Bank of America N.A., Exelon Corp. and The Boeing Company.

The County's unemployment rate reached 10.4% for 2011, compared with 9.3% for the State and 8.3% for the nation in the same period.

The County has significantly increased its engagement with the business community by working directly with business organizations and owners, meeting with municipalities throughout the County, actively working to identify potential sites for new business development and expansions, rolling back the sales tax and developing tax incentive programs, which not only helps secure the financial stability of businesses, but has resulted in the creation of more than 1,840 jobs this fiscal year. Due to its broad and diverse nature, the County believes that its economy will continue to grow, but at a reduced pace for the next several years. See "APPENDIX D – Demographic and Economic Information."

COUNTY SALES TAX ROLLBACK

Effective July 1, 2008, the County home rule sales tax was increased from 0.75% to 1.75%. On December 1, 2009 the County Board passed an ordinance rolling back the sales tax from 1.75% to 1.25%, which rollback became effective July 1, 2010.

For fiscal year 2011, the first full fiscal year to be impacted by the sales tax rollback, the County's sales tax revenue projections was reduced by $161 million, which represents 6.92% of the $2.329 billion operating budget for fiscal year 2011. The County reduced its operating appropriations to compensate for this shortfall to the extent necessary to balance the fiscal year 2011 budget.

At the February 25, 2011 County Board Meeting, an ordinance amendment was passed by the County Board to further lower the County's home rule sales tax to 1.0% beginning in January 2012 and to 0.75% beginning in January 2013. This resulted in an estimated reduction of projected sales tax of $69 million and $108 million in the County's fiscal years 2012 and 2013, respectively. The 2011 amendment constitutes the full repeal of the one percent increase in the sales tax passed in 2008.

EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND OF COOK COUNTY

The Retirement Fund (as hereinafter defined) is a separate body politic and corporate created for the benefit of the employees of the County and their beneficiaries. The County makes no representation with respect to the financial position or funding status of the Retirement Fund other than that the County has contributed to the Retirement Fund as provided by the Illinois Pension Code. Investors should look to the Retirement Fund for any information with respect to its financial position or funding status. Any discussion herein with respect to actuarial assumptions, methodology, results or projections are strictly from the sources cited and should not be construed as statements or information from the County. The County makes no representation with respect to the accuracy or completeness thereof.

Overview

The Employees' and Officers' Annuity and Benefit Fund of Cook County (the "**Retirement Fund**") is established, administered and financed under the Illinois Pension Code (the "**Pension Code**"), including specifically Articles 1, 1A, 9 and 22 therein. The Retirement Fund is a separate body politic and corporate, distinct and apart from the County, established for the benefit of the eligible employees of the County and their beneficiaries. The Retirement Fund provides retirement, survivor, death, health and disability benefits for certain eligible employees of the County and eligible employees of the Retirement Fund, as set forth in the Pension Code. Unless otherwise stated, all references to "employee," "member," or "retiree" in this section of the Official Statement are references to both the County employees and retirees and the Retirement Fund employees and retirees participating in the Retirement Fund.

Section 5 of Article XIII of the Illinois Constitution provides that "[m]embership in any pension retirement system of the State, any unit of local government or school district, or any agency or instrumentality thereof, shall be an enforceable contractual relationship, the benefits of which shall not be diminished or impaired." Public Act 96-0889, effective as of April 14, 2010, provided certain reforms to the State's various public pension systems by reducing benefits for new hires, increasing the minimum retirement age, reducing annual cost of living adjustments (i.e., automatic benefit increases), changing the benefit calculations, capping total pensionable salary, and suspending retirement benefits if the member takes another job with a pension under an Illinois public pension plan.

This section of the Official Statement describes, in part, the current provisions of the Pension Code applicable to the County's funding of the Retirement Fund. The provisions of the Pension Code may be amended only by the State of Illinois, acting through its legislature (the "**Illinois State Legislature**"). No assurance can be made that the statutory provisions governing the Retirement Fund, as described in this section of the Official Statement, will not be amended in the future by the Illinois State Legislature.

The Retirement Fund's primary sources of funding come from the County contribution, the employees' contribution, and investment income on the Retirement Fund's assets. The amount of benefits under the Retirement Fund, the County contribution and employee contribution levels and other aspects of the Retirement Fund are established in the Pension Code. The County contribution and the employee contribution, determined pursuant to statutorily prescribed formulas do not necessarily correlate to the Actuarially Required Contribution (as defined below) as determined by an independent actuary engaged by the Retirement Fund. The level of contributions is affected only by a change in current payroll with respect to active Retirement Plan members, as described in "Determination of County's Contribution" below. The Pension Code has no mechanism for adjusting the funding to reflect any changes in benefits, assets or demographics.

Due to a variety of factors, some of which are described below, the unfunded actuarial liability of the Retirement Fund reported in the Retirement Fund's 2011 Actuarial Valuation (as defined herein) for the fiscal year ended December 31, 2011 increased to $5.8 billion, resulting in a funded ratio of 57.5%, determined on an actuarial basis. On a fair value basis, the unfunded actuarial liability of the Retirement Fund as of December 31, 2011 was $6.3 billion, resulting in a funded ratio of 51.4%.[*] Based on the Retirement Fund's 2011 Actuarial Valuations, under the current Illinois statutes, the funded ratio is projected to continue to decline in future years. These projections are prepared by the Retirement Fund's Actuary (as defined below) based on a variety of factors and assumptions that may be more or less favorable than the actual experience. Therefore, the actual funding levels of the Retirement Fund in future years may differ from the Actuary's projections. The County was not involved in the actuarial process and is making no representation as to the accuracy or validity of the actuarial projections made by the Retirement Fund's Actuary.

According to the comprehensive annual financial report of the Retirement Fund for the fiscal year ending December 31, 2011 (the "**2011 Retirement Fund CAFR**"), the nine-member board of trustees that governs the Retirement Fund (the "**Retirement Fund Board**") is actively investigating ways to address the unfunded actuarial liability of the Retirement Fund. County officials are likewise investigating strategies to enhance the vitality of the Retirement Fund. Any such measures will require action by the Illinois State Legislature. The County is not making any representation as to the probability of any future legislative action by the Illinois State Legislature. However, if taken, such legislative action could increase the amount of contributions the County is required to make to the Retirement Fund.

The Retirement Fund administers post-employment group health benefits. The Retirement Fund provides an optional healthcare premium subsidy to annuitants who elect to participate in a group health plan administered by the County. In accordance with the Illinois State statutes, the Retirement Fund has discretion, but is not obligated, to pay a portion of the healthcare insurance premiums for the annuitants. Presently, the Retirement Fund subsidizes approximately 55% and 70% of the monthly premiums for retiree and spouse annuitants, respectively. The remaining premium cost is borne by the annuitant. The Retirement Fund funds retiree healthcare premium subsidies on a "pay-as-you-go" basis. The unfunded actuarial accrued liability for healthcare benefits under the Retirement Fund as of December 31, 2011 was $1,678,571,388, which was 115.25% of the covered payroll. These numbers are included in the total unfunded actuarial accrued liability of the Retirement Fund, as described above. The foregoing references to the Retirement Fund's liability for retiree healthcare benefits are for accounting reporting purposes only and shall not be construed as a legal obligation of the Retirement Fund. The Pension Code specifically states that the post-employment healthcare benefits "are not and shall not be construed to be pension or retirement benefits for purposes of Section 5 of Article XIII of the Illinois Constitution of 1970." See 40 ILCS 5/9-239.

[*] This actuarial liability (on an actuarial and fair value basis) includes both the pension obligations and the OPEB, as defined below. See Tables 5 through 7.

Source of Information

The information presented herein comes from and is prepared in reliance on the documents produced by the Retirement Fund, the Actuarial Valuations as of January 31, 2002 through 2011 (each, an "**Actuarial Valuation**" and, collectively, the "**Actuarial Valuations**") prepared by Goldstein & Associates, Actuaries and Consultants, independent actuaries engaged by the Pension Board (the "**Actuary**" or "**Actuaries**"), and the 2011 Retirement Fund CAFR prepared by the Retirement Fund, including the financial statements prepared by independent auditors Legacy Professionals, LLP, Chicago, Illinois (the "**Retirement Fund Auditors**") (the Actuarial Valuations and the 2011 Retirement Fund CAFR are referred to as the "**Source Information**"). The County has not independently verified the Source Information and makes no representations nor expresses any opinion as to the accuracy of the Source Information. The 2011 Retirement Fund CAFR and the Actuarial Valuation as of December 31, 2011 (the "**2011 Actuarial Valuation**") are the most recent audit and actuarial valuation available to the County. The 2011 Retirement Fund CAFR states that questions about any information provided in that report should be addressed to: County Employees' and Officers' Annuity And Benefit Fund of Cook County, Attention: Executive Director, 33 North Dearborn Street, Suite 1000, Chicago, IL 60602.

The financial statements of the Retirement Fund for the fiscal years ending December 31, 2008 through December 31, 2011 (each, a "**Financial Statement**" and together, the "**Financial Statements**"), the comprehensive annual financial reports of the Retirement Fund for the fiscal years ending December 31, 2010 through December 31, 2011 (each, a "**Retirement Fund CAFR**" and together, the "**Retirement Fund CAFRs**"), and the Actuarial Valuations of the Retirement Fund, which contain a detailed statement of the affairs of the Retirement Fund, its income and expenditures, and its assets and liabilities as of December 31 of the years 2005 through 2011, may be obtained by contacting the Retirement Fund. The majority of these reports is also available on the Retirement Fund's website at www.cookcountypension.com; provided, however, that the content of these reports and of the Retirement Fund's website is not incorporated into this Official Statement by such reference.

Any discussion herein with respect to actuarial assumptions, methodology, results or projections are strictly from the sources cited and should not be construed as statements or information from the County. The County makes no representation with respect to the accuracy or completeness thereof.

Cautionary Statement

The information included under heading "Projection of Funded Status" relies on the Source Information produced by the Retirement Fund, the Retirement Fund Auditors and the Actuaries. Actuarial assessments are "forward-looking" information that reflects the judgment of the Retirement Fund fiduciaries. A variety of factors impact the Retirement Fund's Unfunded Actuarial Liability and Funded Ratio (as defined below). Increases in member salary and benefits, a lower rate of return on investment than that assumed by the Retirement Fund and insufficient contributions when compared to the normal cost (as defined under "The Actuarial Valuation – Actuaries and the Actuarial Process") plus interest will all cause an increase in the Unfunded Actuarial Accrued Liability and a decrease in the Funded Ratio. Conversely, decreases in member salary and benefits, a higher return on investment than assumed and employer contributions in excess of the Actuarially Required Contribution (as defined below) will decrease the Unfunded Actuarial Accrued Liability and increase the Funded Ratio. In addition, changes in actuarial assumptions and certain other factors will have an impact on the Unfunded Actuarial Accrued Liability and the Funded Ratio.

Retirement Fund

Membership and Benefits

The Retirement Fund was created by the State, under State statute, as a separate body politic and corporate for the benefit of the eligible employees of the County and their beneficiaries. The corporate purposes of the Retirement Fund are separate and apart from the corporate purposes of the State, and any county, city, town, municipal corporation, or other body politic and corporate in the State.

According to the 2011 Actuarial Valuation, the Retirement Fund had a total membership of 50,417, consisting of 22,037 active members, 15,866 members receiving benefits, and 12,584 inactive members, as of December 31, 2011.

The Retirement Fund is a single-employer, defined benefit, public employee retirement plan. "Single-employer" refers to the fact that there is a single employer, in this case, the County. "Defined benefit" refers to the fact that the Retirement Fund pays a periodic benefit to retired employees (and upon their death to their surviving spouses and in certain instances, their children) in an amount determined pursuant to a statutory formula on the basis of the employees' service credits and salary. Members have no accounts in a defined benefit plan, and the amount of their benefits is not dependent on the investment performance of the plan assets.

The benefits available under the Retirement Fund accrue throughout the time a member is employed by the County or the Retirement Fund. Although benefits accrue during employment, a member must satisfy certain age and service requirements to receive a periodic retirement or survivor's benefit payments upon retirement or termination from the County's employ.

To fund the benefits payable by the Retirement Fund, both employees and employers make contributions to the plan's assets. Both the employees' contribution and the County's contribution are established and calculated in accordance with the Pension Code, which can only be amended by the Illinois State Legislature. See "*Determination of Employees' Contribution" and "Determination of County's Contribution*" below.

Governance and Duties of Retirement Fund Board

The Retirement Fund is governed by a nine-member board of trustees (the "**Retirement Fund Board**"). The trustees are the officials of the Retirement Fund, vested with the powers and duties set out in the Pension Code. Two trustees serve as ex-officio trustees (the Comptroller and Treasurer of the County, or someone designated by them). The remaining trustees are elected as follows: three from active employees of the County; two from annuitants of the Retirement Fund; one from active employees of the Forest Preserve District of Cook County (the "**Forest Preserve District**"); and one from annuitants of the Forest Preserve District Annuity and Benefit Fund of Cook County (the "**Forest Preserve Retirement Fund**").

The Retirement Fund Board is a fiduciary of the Retirement Fund and is authorized to perform all functions necessary for operation of the Retirement Fund. The Retirement Fund Board is authorized by the Pension Code to make certain autonomous decisions, including decisions regarding the investment of funds, the management of assets, the disbursement of benefits, and the hiring of staff, financial advisors and asset managers.

The Retirement Fund Board is authorized to promulgate rules and procedures regarding its administration of benefits and other matters in accordance with the Illinois Administrative Procedure Act, and its decisions in awarding, limiting, or denying benefits are subject to the Illinois Administrative Procedure Act. Certain aspects of the Retirement Fund, however, including the amount of benefits and the employer and employee contribution levels, are established in the Pension Code and may be amended or terminated only by the Illinois State Legislature.

Oversight

The State, through the Public Pension Division (the "**Public Pension Division**") within its Department of Insurance, regulates public pension funds. The Public Pension Division is required to make periodic examinations and investigations of all pension funds established under the Pension Code. In lieu of making an examination and investigation, the Public Pension Division may accept and rely upon a report of audit or examination of any pension fund made by an independent certified public accountant. The Retirement Fund is required to provide the Public Pension Division with a statement, which shall include but need not be limited to, the following: (i) a financial balance sheet as of the close of the fiscal year; (ii) a statement of income and expenditures; (iii) an actuarial balance sheet; (iv) statistical data reflecting age, service, and salary characteristics concerning all participants; (v) special facts concerning disability or other claims; (vi) details on investment transactions that occurred during the fiscal year covered by the report; (vii) details on administrative expenses; and (viii) such other supporting data and schedules as in the judgment of the Public Pension Division may be necessary for a proper appraisal of the financial condition of the Retirement Fund and the results of its operations. The annual statement shall also specify the actuarial and interest tables used in the operation of the Retirement Fund.

The Illinois Attorney General and annuitants may bring a civil action to obtain relief for violations of a fiduciary duty to the Retirement Fund or any act or practice which violates any provision of the Pension Code.

Investments

The Retirement Fund Board manages the investments of the Retirement Fund. The provisions of the Pension Code regulate the types of investments in which the Retirement Fund's assets may be invested. Furthermore, the Retirement Fund Board is required to invest the Retirement Fund's assets in accordance with the prudent person rule, which requires members of the Retirement Fund Board, who are fiduciaries of the Retirement Fund, to discharge their duties with the care, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in a similar situation.

As stated in the 2011 Retirement Fund CAFR, the Retirement Fund has adopted a formal investment policy in accordance with the Pension Code. Such policy is further described in the 2011 Retirement Fund CAFR.

In carrying out its investment duty, the Retirement Fund Board may appoint investment managers with a discretionary authority to manage, in a fiduciary capacity, all or a portion of the Retirement Fund's assets in accordance with the prudent person rule.

Additional information regarding the Retirement Fund's investments, investment management and authority, policy provisions, diversification principles, performance objectives and asset allocation may be found in the 2011 Retirement Fund CAFR and on the Retirement Fund's website at www.cookcountypension.com; provided, however that the content of such website is not incorporated into this Official Statement by such reference.

The Actuarial Valuations assume an investment rate of return on the assets in the Retirement Fund. At least for the last 7 fiscal years, the Retirement Fund assumed an investment rate of return of 7.5%. Due to the volatility of the marketplace, however, the actual rate of return earned by the Retirement Fund on its assets may be higher or lower than the assumed rate.

As a result of the use of the Asset Smoothing Method (as hereinafter defined), only a portion of investment gains or losses is recognized in the year when realized, and the remaining gain or loss is spread over the remaining four years. See "Actuarial Valuation – Actuarial Value of Assets" for additional explanations regarding the Asset Smoothing Method.

Table 1 provides information from the Actuarial Valuations as of December 31 of the years 2002 through 2011 regarding the investment returns experienced by the Retirement Fund for the period 2002 through 2011.

TABLE 1
INVESTMENT RATES OF RETURN, 2002-2011[1]

	INVESTMENT RETURN[2]
2002	-6.86%
2003	16.99%
2004	9.46%
2005	4.88%
2006	10.77%
2007	6.22%
2008	-23.23%
2009	16.91%
2010	12.19%
2011	1.11%

Source: The Actuarial Valuations of the Retirement Fund.
(1) For actuarial purposes, the Retirement Fund assumes an investment rate of return of 7.50%. See "Actuarial Assumptions" herein.
(2) Calculated based on the market value of Retirement Fund's assets as of December 31 of each year.

Determination of Employees' Contribution

The Pension Code prescribes the level of contributions that the County's employees are required to contribute to the Retirement Fund as a condition of eligibility for benefits thereunder. To that extent, the County's ability to deduct a portion of employees' salaries and disburse these proceeds to the Retirement Fund is circumscribed by the Pension Code. County employees are required to contribute 8.5% (9.0% for County police) of their salary to the Retirement Fund. This contribution consists of 6.5% (7.0% for County police) for the retirement annuity, 1.5% for the surviving spouse's annuity, and 0.5% for the automatic increase in retirement annuity.

Determination of County's Contribution

The Pension Code limits the County's ability to contribute to the Retirement Fund. The Pension Code provides that County contributions to the Retirement Fund are to be made from the proceeds of an annual levy of taxes (the "**Pension Levy**") by the County for such purpose. The Pension Code further provides that, with some exceptions, no money of the County derived from any source other than the Pension Levy and collection for the Pension Levy or the sale of tax anticipation warrants may be used to provide revenue for the Retirement Fund. The Pension Levy is levied solely for the purpose of contributing to the Retirement Fund, and such levy is exclusive of and in addition to the amount of tax which the County may levy for general purposes. The amount of the Pension Levy may not exceed 1.54 times (the "**Multiplier**") the amount contributed by the County's employees to the Retirement Fund two years prior to the year in which the tax is levied (the "**Contribution Limitation**"). Because State statute defines and limits the County's contributions, those contributions do not necessarily have a direct correlation to the Actuarially Required Contribution in any year (as hereinafter defined). See "The Actuarial Valuation—County's Statutorily Required Contribution Not Related to GASB Standards."

The Pension Code provides that the Retirement Fund Board must annually certify to the County a determination of the County's contribution to the Retirement Fund, based on the statutorily capped Multiplier of 1.54. In making its request for the County's annual contribution, the Retirement Fund, acting through the Retirement Fund Board, annually approves and then submits a resolution to the County Board requesting that the County Board adopt a particular tax levy rate. The Retirement Fund Board most recently requested a Pension Levy at the statutory maximum amount based on the 1.54 Multiplier and has done so for at least the last ten years.

In addition to the funds generated by the Pension Levy, the County is required to contribute to the Retirement Fund a portion of the Illinois Personal Property Replacement Tax Fund ("**PPRT**") received from the State. The amount of PPRT revenues required to be contributed to the Retirement Fund is determined in accordance with Section 12 of the Illinois Revenue Sharing Act. Since 2007, the amount of PPRT contributed by the County to the Retirement Fund has averaged approximately $52.4 million annually. In 2011, the amount of PPRT contributed to the Retirement Fund was approximately $48.6 million.

The Actuarial Valuation

General

In addition to the process outlined above, the Pension Code requires that the Retirement Fund annually submit to the County Board a report containing a detailed statement of the affairs of the Retirement Fund, its income and expenditures, and assets and liabilities, which would include the Actuarial Valuation. According to the 2011 Retirement Fund CAFR, the Actuarial Valuation determines the financial position and the Actuarially Required Contribution (as defined below) of the Retirement Fund for reporting purposes pursuant to Governmental Accounting Standards Board ("**GASB**") Statement No. 25 ("**GASB 25**"). See also, "New GASB Standards" below.

A description of the statistics generated by the Actuary in the Actuarial Valuation follows in the next few paragraphs. This information was derived from the 2011 Retirement Fund CAFR and the 2011 Actuarial Valuation.

GASB, which is part of a private non-profit corporation known as the Financial Accounting Foundation, promulgates standards regarding accounting and financial reporting for governmental entities. Although these principles are not legally binding and do not impose any legal liability on the County, independent auditors that audit governmental entities require such entities to follow these principles.

Actuaries and the Actuarial Process

According to the 2011 Retirement Fund CAFR, in producing the Actuarial Valuation, the Retirement Fund's Actuary uses demographic data (including employee age, salary and service credits), economic assumptions (including estimated salary and interest rates), and decrement assumptions (including employee turnover, mortality and retirement rates) to determine, as of the valuation date, the Normal Cost (as defined below), the Actuarial Accrued Liability (as defined below), and the Actuarial Value of Assets (as defined below) for the Retirement Fund. The Retirement Fund's Actuary uses these data to determine the following fiscal year's Actuarially Required Contribution. The Retirement Fund's Actuarial Valuations are publicly available and may be obtained from the Retirement Fund. Certain of these Actuarial Valuations are available on the Retirement Fund's website, www.cookcountypension.com; provided, however, that the content of these reports and of the Retirement Fund's website is not incorporated into this Official Statement by such reference.

According to the 2011 Retirement Fund CAFR, the primary purpose of the Actuarial Valuation is to determine the amount that must be contributed, pursuant to GASB standards and without consideration of the Pension Code, to the Retirement Fund in a given fiscal year (the "**Actuarially Required Contribution**")* to satisfy its current and future obligations to pay benefits to eligible members of the

* GASB (as hereinafter defined) pronouncements refer to this concept as the Annual Required Contribution. For the convenience of the reader, this disclosure refers to the concept as the Actuarially Required Contribution to denote the fact that the Actuarially Required Contribution is the amount an Actuary would require to be contributed in a given year, to differentiate it from the amount the County will be permitted to contribute under applicable law.

Retirement Fund. The 2011 Actuarial Valuation provides that the Actuarially Required Contribution consists of two components: (1) that portion of the present value of pension plan benefits which is allocated to the valuation year by the actuarial cost method (as described in "*Actuarial Methods*" below), termed the "Normal Cost"; and (2) an amortized portion of any unfunded actuarial accrued liability.

As part of the Actuarial Valuation, the Retirement Fund's Actuary also calculated the Retirement Fund's "Actuarial Accrued Liability" and the "Actuarial Value of Assets." According to the 2011 Actuarial Valuation, the Actuarial Accrued Liability is that portion, as determined by a particular actuarial cost method, of the actuarial present value of pension benefits which is not provided for by future Normal Costs. The 2011 Actuarial Valuation also provides that the Actuarial Value of Assets is the value assigned by the Retirement Fund's Actuary to the assets of the pension plan for purposes of the Actuarial Valuation. For a discussion of the methods and assumptions used to calculate the Retirement Fund's Actuarial Accrued Liability and Actuarial Value of Assets, see "*Actuarial Methods*" and "*Actuarial Assumptions*" below.

As stated in the 2011 Actuarial Valuation, the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets is referred to as the "Unfunded Actuarial Accrued Liability" or "UAAL." The Retirement Fund's Actuary computes the "Funded Ratio," which is equal to the ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability, expressed as a percentage.

Actuarial Value of Assets

The Retirement Fund's Actuary calculates the Actuarial Value of Assets by smoothing investment gains and losses over a period of five years, a method of valuation referred to as the "Asset Smoothing Method." In accordance with the Asset Smoothing Method, currently recognized by GASB standards, the Retirement Fund's Actuary calculates the Actuarial Value of Assets by recognizing in the current year 20% of the investment gain or loss realized in each of the previous four years.

As described in the interpretive guidance released by GASB upon adoption of GASB 25, the Asset Smoothing Method prevents extreme fluctuations in the Actuarial Value of Assets, the UAAL and the Funded Ratio that may otherwise occur as a result of market volatility. However, asset smoothing delays recognition of gains and losses, thereby providing an Actuarial Value of Assets that does not reflect the true value of pension plan assets at the time of measurement. As a result, presenting the Actuarial Value of Assets as determined under the Asset Smoothing Method might provide a more or less favorable presentation of the current financial position of a pension plan than would a method that recognizes investment gains and losses annually.

Table 2 provides a comparison of the assets of the Retirement Fund on a fair value basis to the value of the assets after application of the Asset Smoothing Method.

TABLE 2
ASSET SMOOTHED VALUE OF ASSETS VS. FAIR VALUE OF NET ASSETS
($ IN THOUSANDS)

FISCAL YEAR	ACTUARIAL VALUE OF ASSETS[(1)] (a)	FAIR VALUE OF NET ASSETS (b)	ACTUARIAL VALUE AS A PERCENTAGE OF FAIR VALUE[(2)] (a/b)
2002	$5,861,234	$5,221,854	112.24%
2003	5,929,201	6,063,872	97.78%
2004	6,700,845	6,618,941	101.24%
2005	7,027,508	6,963,955	100.91%
2006	7,462,683	7,670,787	97.29%
2007	8,059,880	8,069,710	99.88%
2008	8,036,075	6,069,280	132.41%
2009	7,945,567	6,929,486	114.66%
2010	7,982,369	7,574,654	105.38%
2011	7,891,102	7,441,243	106.05%

Source: The Actuarial Valuations of the Retirement Fund as of December 31 of the years 2002-2011, except as provided in note (2) below.
(1) The Actuarial Value of Assets is calculated through use of the Asset Smoothing Method.
(2) The percentage is derived from the Actuarial Valuation of the Retirement Fund for the years 2002-2011.

Actuarial Methods

The 2011 Actuarial Valuation provides that the Actuarial Accrued Liability is calculated as the portion of the actuarial present value of pension benefits which is not provided at a valuation date by the actuarial present value of future value of Normal Costs. The 2011 Actuarial Valuation further provides that for purposes of determining Normal Cost, the Retirement Fund uses the entry age actuarial cost method (the "**Entry Age Method**"), which is a GASB-approved actuarial cost method. As stated in the 2011 Actuarial Valuation, the Entry Age Method is a cost method under which the present value of the projected benefits of each individual included in an actuarial valuation is allocated as a level dollar amount or level percent of the individual's earnings between entry age and assumed exit age to a valuation year. Under this method, the actuarial gains (losses), as they occur, generally reduce (increase) the UAAL.

Actuarial Assumptions

In its Actuarial Valuation, the Retirement Fund's Actuary uses a variety of assumptions as to future events affecting pension costs. The assumptions used by the Retirement Fund are based on the experience of the Retirement Fund over the period 2005 through 2008, as stated in the 2011 Actuarial Valuation, and were adopted by the Retirement Fund Board based upon the recommendation of the Retirement Fund's Actuary as of December 31, 2009. Variances between the assumptions and actual results may cause an increase or decrease in the Actuarial Value of Assets, the Actuarial Accrued Liability, the UAAL, the Funded Ratio or the Actuarially Required Contribution.

Additional information on the Retirement Fund's actuarial assumptions is available in the Retirement Fund's 2011 Actuarial Valuation and the 2011 Retirement Fund CAFR. See also "New GASB Standards" for changes to the actuarial principles that will take effect in 2013 and 2014 and may affect the determination and presentation of the Retirement Funds Actuarial Accrued Liability, the Actuarial Value of Assets, the UAAL and the Funded Ratio.

County's Statutorily Prescribed Contribution Not Related to GASB Standards

The Pension Code requires that the County fund the Retirement Fund through the levy, collection and contribution of the Pension Levy. Because the County's contribution limit is established by State statute, the County's contribution to the Retirement Fund does not relate to the manner of contributing established by GASB. As stated in the Actuarial Valuation, the Retirement Fund's Actuarially Required Contribution is equal to its Normal Cost plus a 30-year level-dollar amortization of the Retirement Fund's UAAL. This method of calculating the Actuarially Required Contribution is developed under the standards promulgated by GASB. However, the statutorily prescribed limit on members' and County's contributions has in the past prevented and is likely in the future to prevent the County from contributing to the Retirement Fund on an actuarial basis, as demonstrated in the Actuarial Valuations. Therefore, the statutory structure pursuant to which the County contributes to the Retirement Fund does not conform to the standards promulgated by GASB for reporting purposes. See "Table 3 - Information Regarding Contributions" below.

In each year, the County has contributed to the Retirement Fund as required by the Pension Code. However, as evidenced by the Actuarial Valuations, this amount has been lower than the Actuarially Required Contribution in each year.

Table 3 provides information on the Actuarially Required Contribution, the County's actual contributions in accordance with the Pension Code, the tax levy requested by the Retirement Fund Board and the percentage of the Actuarially Required Contribution made in each year that would have been necessary in each year to allow the County to contribute the Actuarially Required Contribution for each year 2002 through 2011, all of which was derived from the Actuarial Valuations. Based on the Actuarial Valuations, the Multiplier that would have been required for the County's contribution to equal the Actuarially Required Contribution for the 2011 fiscal year was 4.95 and for the 2012 fiscal year is estimated to be 5.22 instead of the statutorily prescribed maximum of 1.54.

TABLE 3
INFORMATION REGARDING CONTRIBUTIONS[1]
($ IN THOUSANDS)

FISCAL YEAR	ACTUARIALLY REQUIRED CONTRIBUTION (a)	TAX LEVY REQUESTED BY THE RETIREMENT FUND BOARD (b)	ACTUAL COUNTY CONTRIBUTION (c)	PERCENTAGE OF ACTUARIALLY REQUIRED CONTRIBUTION CONTRIBUTED (c/a)
2002	253,943	179,603	178,410	70.26%
2003	364,658	187,745	185,608	50.90%
2004	457,427	220,223	201,957	44.15%
2005	428,971	209,151	218,292	50.89%
2006	398,341	223,270	225,438	56.59%
2007	421,092	264,846	261,535	62.11%
2008	406,626	183,124	188,009	46.24%
2009	468,181	186,100	188,285	40.22%
2010	572,318	186,523	184,723	32.28%
2011	613,953	194,234	198,837	32.39%

Sources: The 2011 Retirement Fund CAFRs, except for the column titled "Tax Levy Requested by the Retirement Fund Board" which incorporates information from the annual resolution of the Retirement Fund Board pursuant to 40 ILCS 5/9-169 for each year.
(1) Includes amounts related to the post-employment healthcare benefit.

Funded Status of the Retirement Fund

The fact that the contributions received from all sources by the Retirement Fund were less than the Actuarially Required Contribution, in conjunction with other factors, had the effect of increasing the Retirement Fund's UAAL, according to the 2011 Actuarial Valuation. In addition, expenses related to the optional other post-employment benefits ("**OPEB**") provided by the Pension Board are paid from the funds received from the County, which has the effect of reducing the Actuarial Value of Assets and decreasing the Funded Ratio.

According to the 2011 Actuarial Valuation, the Retirement Fund had a UAAL, including OPEB, of approximately $5.8 billion on an actuarial basis (using the Asset Smoothing Method) and $6.3 billion on a fair value basis as of December 31, 2011. The 2011 Actuarial Valuation provides that the respective Funded Ratios for these UAALs are 57.5% and 51.4%. The 2011 Actuarial Valuation further indicates that the largest factors in the increase in the UAAL from December 31, 2010 to December 31, 2011 were insufficient contributions to the Retirement Fund, as compared to the Actuarially Required Contributions, and investment losses.

The following tables, which were produced from information provided in the CAFRs of the Retirement Fund and the Actuarial Valuations, summarize the current financial condition and the funding progress of the Retirement Fund.

TABLE 4
FINANCIAL CONDITION OF THE RETIREMENT FUND
FISCAL YEARS 2002-2011
($ IN THOUSANDS)

FISCAL YEAR	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Beginning Net Assets (Fair Value)	$5,530,303	$5,221,853	$6,063,872	$6,618,941	$6,963,955	$7,670,787	$ 8,069,710	$6,069,280	$6,929,486	$7,574,654
Income										
- Employee Contributions	146,980	140,030	148,924	174,214	121,673	123,048	123,777	127,796	129,450	127,577
- Employer Contributions & other additions[1]	178,411	185,608	202,669	221,827	230,443	268,144	190,997	195,456	194,305	195,338
- Investment Income[2]	(382,143)	883,496	572,598	324,732	749,245	477,494	(1,858,448)	1,013,615	833,053	82,912
-- Other[4]										17,403
Total[3]	$ (56,752)	$1,209,134	$ 924,191	$ 720,773	$1,101,361	$ 868,686	$(1,543,674)	$1,336,867	$1,156,808	$ 423,230
Expenditures										
- Benefits	$ 225,191	$ 315,773	$ 344,638	$ 348,319	$ 365,627	$ 398,689	$ 427,454	$ 452,008	$ 482,523	$ 523,397
- Refunds	20,255	44,210	17,970	23,042	24,922	66,623	24,724	20,405	25,042	29,165
- Administration	6,251	7,132	6,514	4,398	3,979	4,450	4,578	4,248	4,075	4,079
Total[3]	$ 251,697	$ 367,115	$ 369,122	$ 375,759	$ 394,528	$ 469,762	$ 456,756	$ 476,661	$ 511,640	$ 556,641
Ending Net Assets (Fair Value)	$5,221,854	$6,063,872	$6,618,941	$6,963,955	$7,670,787	$8,069,710	$ 6,069,280	$6,929,486	$7,574,654	$7,441,243

Source: The 2011 Retirement Fund CAFR and the Actuarial Valuations of the Retirement Fund for the years 2002-2011. Table may not add due to rounding.
(1) Includes other additions to the assets from sources such as employer federal subsidized programs, employer interest on levies, and Medicare Part D subsidy.
(2) Investment income is shown net of fees and expenses. Includes income from the Retirement Fund's securities lending program. For more information, see Note 8 to the Financial Statements in the 2011 Retirement Fund CAFR.
(3) Includes amounts related to OPEB.
(4) This item "Other" is included to reflect the change in the format of the financial presentations in the 2011 Retirement Fund CAFR.

TABLE 5
SCHEDULE OF FUNDING PROGRESS – PENSION AND HEALTHCARE COMBINED
FISCAL YEARS 2002-2011
($ IN THOUSANDS)

FISCAL YEAR	ACTUARIAL ACCRUED LIABILITY[(1)] (a)	ACTUARIAL VALUE OF ASSETS[(2)] (b)	FAIR VALUE OF NET ASSETS (c)	UAAL (ACTUARIAL)[(3)] (a-b)	FUNDED RATIO (ACTUARIAL)[(3)] (b/a)	PAYROLL (d)	UAAL TO PAYROLL (ACTUARIAL)[(3)] ((a-b)/d)
2002	$ 7,846,308	$5,861,234	$5,221,854	$1,985,074	74.7%	$1,330,457	149.2%
2003	8,780,970	5,929,201	6,063,872	2,851,769	67.5%	1,307,079	218.2%
2004	9,450,784	6,700,845	6,618,941	2,749,939	70.9%	1,371,540	200.5%
2005	9,269,944	7,027,508	6,963,955	2,242,436	75.8%	1,387,459	161.6%
2006	9,904,578	7,462,683	7,670,787	2,441,895	75.3%	1,412,879	172.8%
2007	10,423,730	8,059,880	8,069,710	2,363,850	77.3%	1,370,845	172.4%
2008	11,073,181	8,036,075	6,069,280	3,037,107	72.6%	1,463,372	207.5%
2009	12,575,516	7,945,567	6,929,486	4,629,949	63.2%	1,498,162	309.0%
2010	13,142,137	7,982,369	7,574,654	5,159,769	60.7%	1,494,094	345.3%
2011	13,724,012	7,897,102	7,441,243	5,826,910	57.5%	1,456,444	400.1%

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Source: The Retirement Fund CAFRs for the fiscal years ended December 31, 2002-2011 and the Actuarial Valuations of the Retirement Fund as of December 31, of the years 2002-2011.

(1) Includes OPEB. The amount of OPEB at the end of each year for 2006-2011 was as follows (in thousands): 2006-$1,506,822; 2007-$1,554,123; 2008 - $1,448,829; 2009 - $1,686,872; 2010 - $1,724,622 and 2011 - $1,095,738. Prior to 2006, GASB did not require presentation of the OPEB separate from pension liabilities. As such, this data is not available for 2001-2005. In addition, the Actuarial Accrued Liability presented in this Table 5 incorporates a change in the interest rate assumption for the Healthcare Plan solely for purposes of financial reporting of combined pension and OPEB results. As such, the amounts presented in Tables 6 and 7 cannot be added together to reach the amounts presented in this Table 5. See the 2011 Retirement Fund CAFR for additional information.

(2) The actuarial value is determined by application of the Asset Smoothing Method as discussed in *"Actuarial Methods—Actuarial Value of Assets"* above.

(3) For purposes of this column, "Actuarial" refers to the fact that the calculation was made using the Actuarial Value of Assets. The Actuarial Value of Assets is determined using the Smoothing Method, described in *"Actuarial Valuation – Actuarial Value of Assets."* The UAAL and Funded Ratio as published in the CAFR and Actuarial Valuations (and presented in this Table 5) were not calculated on the fair value basis.

TABLE 6
SCHEDULE OF FUNDING PROGRESS – PENSION
FISCAL YEARS 2006-2011
($ IN THOUSANDS)

AS OF DECEMBER 31ST	ACTUARIAL ACCRUED LIABILITY	ACTUARIAL VALUE OF ASSETS[1]	FAIR VALUE OF NET ASSETS	UAAL (ACTUARIAL)[2]	FUNDED RATIO (ACTUARIAL)[2]	PAYROLL	UAAL TO PAYROLL (ACTUARIAL)[2]
	(a)	(b)	(c)	(a-b)	(b/a)	(d)	((a-b)/d)
2006	$ 8,826,581	$ 7,462,683	$7,670,787	$1,363,898	84.5%	$1,412,879	96.5%
2007	9,386,288	8,059,880	8,069,710	1,326,408	85.9%	1,370,845	96.8%
2008	10,097,028	8,036,075	6,069,280	2,060,953	79.6%	1,468,372	140.4%
2009	11,489,081	7,945,567	6,929,486	3,543,514	69.2%	1,498,162	236.5%
2010	12,023,223	7,982,369	7,574,654	4,040,854	66.4%	1,494,094	270.5%
2011	12,628,275	7,897,102	7,441,243	4,731,172	62.54	1,456,444	324.8%

Source: The Retirement Fund CAFR and the Actuarial Valuations of the Retirement Fund as of December 31, of the years 2006-2011. Prior to 2006, GASB did not require presentation of OPEB separate from pension liabilities. For information on the combined pension obligation and OPEB, see Table 5 herein.

(1) The actuarial value is determined by application of the Asset Smoothing Methods as discussed in *"Actuarial Methods – Actuarial Value of Assets"* above.

(2) For purposes of this column, "Actuarial" refers to the fact that the calculation was made using the Actuarial Value of Assets. The Actuarial Value of Assets is determined using the Smoothing Method, described in *"Actuarial Valuation – Actuarial Value of Assets."* The UAAL and Funded Ratio as published in the CAFR and Actuarial Valuations (and presented in this Table 6) were not calculated on the fair value basis.

TABLE 7
SCHEDULE OF FUNDING PROGRESS – HEALTHCARE PLAN
FISCAL YEARS 2006-2011[1]
($ IN THOUSANDS)

AS OF DECEMBER 31ST	ACTUARIAL VALUE OF ASSETS[2]	ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED AAL (UAAL)	FUNDED RATIO	COVERED PAYROLL	UAAL AS % OF COVERED PAYROLL
	(a)	(b)	(b-a)	(a/b)	(c)	(b-a)/(c)
2006	--	$1,506,822	$1,506,822	0.00%	$1,412,879	106.65%
2007	--	1,554,123	1,554,123	0.00%	1,370,845	113.37%
2008	--	1,448,829	1,448,829	0.00%	1,463,372	99.01%
2009[3]	--	1,686,872	1,686,872	0.00%	1,498,162	112.60%
2010	--	1,724,622	1,724,622	0.00%	1,494,094	115.43%
2011	--	1,678,571	1,678,571	0.00%	1,456,444	115.25%

Source: The 2011 Retirement Fund CAFR.
(1) Prior to 2006, GASB did not require presentation of OPEB separate from pension liabilities. For information on the combined pension obligation and OPEB, see Table 5 herein.
(2) The Healthcare Plan is funded on a "pay-as-you-go" basis.
(3) Change in actuarial assumptions.

The 2011 Actuarial Valuation also includes information on the Retirement Fund's "Net Pension Obligation," which the 2011 Actuarial Valuation describes as the cumulative difference between the annual pension cost and the employer's contribution, pursuant to GASB Statement No. 27. As discussed above, the Pension Code requires that the County contribute the Pension Levy according to a statutory formula as opposed to making contributions on an actuarial basis and, as such, the County's contribution differs from the amount identified by the Retirement Fund's Actuary as the Actuarially Required Contribution. According to the 2011 Retirement Fund CAFR, the Retirement Fund's Net Pension Obligation as of December 31, 2010 was $1,506,834,673, and the Net Pension Obligation as of December 31, 2011 was $1,830,261,882.

The 2011 Actuarial Valuation indicates that a variety of factors (as identified in Table 8 below) impact the Retirement Fund's UAAL and Funded Ratio. According to the 2011 Actuarial Valuation, the most significant causes of the increase in the UAAL between the end of fiscal year 2010 and the end of fiscal year 2011 were investment returns below the assumed rate of return and contributions to the Retirement Fund as compared to the Actuarially Required Contribution, as set forth in Table 8 below.

TABLE 8
COMPONENTS OF CHANGE IN UNFUNDED LIABILITY
($ IN THOUSANDS)

FISCAL YEAR	SALARY INCREASES/ (DECREASES) LOWER THAN ASSUMED	INVESTMENT RETURNS (HIGHER)/LOWER THAN ASSUMED	EMPLOYER CONTRIBUTIONS HIGHER/(LOWER) THAN NORMAL COST PLUS INTEREST	LEGISLATIVE AMENDMENTS	CHANGES IN ACTUARIAL ASSUMPTIONS	OTHER FACTORS[1]	TOTAL CHANGE IN UNFUNDED LIABILITY
2002	$ (50,394)	$625,783	$ 53,496	$373,515	$ -	$ 239,961	$1,242,361
2003	(163,466)	357,789	169,405	506,254	-	(3,289)	866,693
2004[2]	N/A	N/A	N/A	N/A	-	N/A	(101,830)
2005	(120,058)	196,929	181,602	-	-	(765,976)	(507,503)
2006	(43,192)	47,914	152,221	-	-	42,516	199,459
2007	78,766	(118,960)	135,979	-	-	(173,830)	(78,045)
2008	160,615	481,087	198,155	-	-	(166,600)	673,256
2009	(138,750)	534,155	258,310	-	810,787	128,341	1,592,842
2010	(185,530)	364,313	349,354	-	-	1,684	529,820
2011	(138,555)	459,875	371,793	-	-	(25,972)	667,141

Source: The Actuarial Valuations as of December 31 for the years 2002-2011. Totals may not add due to rounding.
(1) "Other Factors" includes, but is not limited to, health insurance, optional retirement experience and death, retirement and withdrawal experience.
(2) Components of the change in unfunded liability were not calculated for fiscal year 2004 because the Retirement Fund changed actuaries.

Most Recent Legislative Changes

On April 14, 2010, the Governor of the State signed Public Act 96-0889 (the "**Pension Reform Act**") into law. The Pension Reform Act establishes a "two-tier" benefit system with less generous benefits for employees who become members of the Retirement Fund on or after January 1, 2011, as compared to those provided to employees prior to such date. Among other changes, the Pension Reform Act:

- Increases the time required for pension benefits to vest to ten years from five years;
- Increases the minimum age at which an active employee may retire with unreduced benefits to age 67 from age 60 or younger based on a formula combining the age of the employee and the number of years of service;
- Increases the minimum age at which an active employee may retire with reduced benefits to age 62 from age 50;
- Reduces the cost of living adjustment to the lower of 3% or 50% of the change in the consumer price index for all urban consumers, whichever is lower, and eliminates compounding for employees hired after January 1, 2011, from a cost of living adjustment of 3%, compounded; and
- Caps the salary on which a pension may be calculated at $106,800 (subject to certain adjustments for inflation).

The Pension Reform Act does not impact persons that first became members or participants prior to its effective date of January 1, 2011.

Taken independently of any other legislative or market effects, the reduced benefits afforded new hires by the Pension Reform Act is expected to reduce the growth in the Actuarial Accrued Liability, the UAAL and the Actuarially Required Contribution. In calculating the Actuarial Accrued Liability, the actuaries make assumptions about future benefit levels. As the value of future benefits decreases, as will occur when a greater percentage of the County's workforce is covered by the Pension Reform Act, the Actuarial Accrued Liability is expected to decrease. Consequently, the UAAL is expected to decrease and the Funded Ratio to improve. As the growth in the UAAL slows, the Actuarially Required Contribution is expected to be reduced as the amount of UAAL to be amortized decreases. However, the County makes no representation and no assurance can be given that these expectations will be the actual experience of the Retirement Fund going forward.

Projection of Funded Status

Table 9 contains a projection, provided by the Retirement Fund, of the Actuarial Value of Assets, the Actuarial Accrued Liability, the UAAL and the Funded Ratio for the next 10 years.

TABLE 9
PROJECTION OF FUTURE FUNDING STATUS UNDER CURRENT STATUTORY STRUCTURE(1)
($ IN MILLIONS)

FISCAL YEAR ENDED 12/31	ACTUARIAL ACCRUED LIABILITY (a)	ACTUARIAL VALUE OF ASSETS(2) (b)	UNFUNDED ACCRUED ACTUARIAL LIABILITIES (UAAL) (a-b)	FUNDED RATIO (b/a)
2012	14,425.0	7,997.4	6,427.6	55.4%
2013	15,072.0	8,486.0	6,586.0	56.3%
2014	15,718.1	8,850.9	6,867.2	56.3%
2015	16,360.6	9,137.8	7,222.8	55.9%
2016	16,996.4	9,406.3	7,590.1	55.3%
2017	17,623.0	9,651.8	7,971.2	54.8%
2018	18,238.0	9,868.7	8,369.3	54.1%
2019	18,838.3	10,051.0	8,787.3	53.4%
2020	19,420.0	10,191.7	9,228.3	52.5%
2021	19,978.6	10,282.8	9,695.8	51.5%

Source: The Retirement Fund Board's projection.
(1) These projections are based on the legislative structure in place as of the date of this Official Statement and assume *no* changes to such legislative structure.
(2) The actuarial value is determined by application of the Asset Smoothing Method as discussed in *"Actuarial Methods—Actuarial Value of Assets"* above.

As shown in Table 9, based on the current legislative structure, the Retirement Fund's Actuary projects that the Retirement Fund will have a Funded Ratio of 51.5% by the end of fiscal year 2021. The Actuary is projecting a continual decrease in the funding level of the Retirement Fund beyond 2021 based upon the Actuarial Valuation of the Retirement Fund as of December 31, 2010, which could jeopardize the solvency of the Retirement Fund. The Retirement Fund's projection further projects that under the current statutes and based on certain assumptions and trends, the Retirement Fund would be expected to deplete its assets by 2038. The County is not making any representation as to the accuracy or validity of these projections.

The projections in Table 9 are based upon numerous variables that are subject to change, and are forward-looking statements regarding future events based on the Retirement Fund's actuarial assumptions and assumptions made regarding such future events, including that there are no changes to the current legislative structure and that all contributions to the Retirement Fund are made as required by statute. No assurance can be given that these assumptions will be realized or that actual events will not cause material changes to the data presented. The Commission on Government Forecasting and Accountability ("**COGFA**") included a longer term projection prepared by the Retirement Fund in its report on the financial condition of the Retirement Fund as of January 2012. The report (the "**COGFA Report**") is dated January 2012 and can be found on the COGFA's website at http://www.ilga.gov/commission/cgfa2006/Upload/FY2011SmallSystemsReport.pdf; provided, however, that the content of this report and of the COGFA's website is not incorporated into this Official Statement by such reference.

COGFA is a bipartisan, joint legislative commission intended to provide the General Assembly with information relevant to the State's economy, taxes, and other sources of revenue and debt obligations of the State. Among COGFA's list of specific responsibilities is to make an annual estimate of public pension funding requirements and to prepare pension impact notes. Furthermore, COGFA has a mandate to report to the General Assembly on economic trends in relation to long-range planning and budgeting and to study and make such recommendations as it deems appropriate on local and regional economic and fiscal policies and on federal fiscal policy as the same may affect the State. As a result of these responsibilities, COGFA issues several reports on an annual basis, including the COGFA Report, which provides an overview of the financial condition of the Retirement Fund. The COGFA Report provides significant information on the funded status of the Retirement Fund and historical and projected information with respect to the Retirement Fund and a history of pension legislation. COGFA does not make findings in the COGFA Report.

Continuing decline in the Retirement Fund's funded status could reasonably be expected to prompt further action by the Illinois State Legislature to improve the funding condition of the Retirement Fund. Measures taken in furtherance of that goal could potentially include an increase in the County's contribution obligation, an increase in employee contribution levels, or further curtailment of the pension benefits payable under the Retirement Fund.

In its 2012-2013 legislative session, the Illinois General Assembly has considered several pension reform proposals, some of which would have reformed various public-pension systems in the State, including the Retirement Fund. No such proposal has been adopted to date. State and local legislative and executive leaders have indicated that pension reform will continue to receive attention in the upcoming 2013-2014 legislative session, as well as any potential remaining dates of the 2012-2013 session.

No assurance can be given that any proposal that would alter provisions of the Pension Code as they relate to the Retirement Fund will be enacted, nor can the impact of any such proposal on the financial health of the Retirement Fund be predicted.

Forest Preserve Retirement Fund

For accounting purposes, the Forest Preserve District is a component unit of the County. See Note I.A. to the County's Comprehensive Annual Financial Report for fiscal year ending November 30, 2011 (the "**2011 County CAFR**"), attached hereto as Appendix A. The Forest Preserve Retirement Fund, which provides retirement benefits to Forest Preserve District employees, is funded through a tax levied by the Forest Preserve District. The County is not responsible for making any payments to fund the Forest Preserve Retirement Fund. As such, information regarding the Forest Preserve District and the Forest Preserve Retirement Fund is not incorporated into this section of the Official Statement. For additional information on the Forest Preserve Retirement Fund, see Note X. to the 2011 County CAFR.

New GASB Standards

On June 25, 2012, GASB approved two new standards for employee pension accounting and financial reporting by state and local governments. The two new GASB statements, Nos. 67 and 68, replace some of the requirements of previous statements (Nos. 25, 27, and 50) related to pension plans.

Some of the key changes imposed by these new standards include: (1) requiring governments for the first time to recognize the difference between the total pension liability (i.e., the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) as a liability of the employer; (2) immediate recognition of annual service cost and interest on the pension liability and immediate recognition of the effect on the net pension liability of changes in benefit terms; (3) the effects on the net pension liability of differences between expected and actual investment returns will be recognized in pension expense over a closed 5-year period (previously 15-30-year period); (4) with respect to benefits not covered by projected plan assets, the use of a discount rate based on a yield or index rate on tax-exempt 20-year, AA-or-higher rated municipal bonds rather than the expected rate of return on plan investments; and (5) revising the presentation of pension liabilities in a government's financial statements. The use of the new standards may produce higher UAAL than one determined under the current principles. According to GASB's news release, Statement 67 will go into effect "for periods after June 15, 2013" and Statement 68 will go into effect "for fiscal years beginning after June 15, 2014."

The projections set forth in this Section of the Official Statement rely on information produced by the Retirement Fund's independent Actuaries and were not independently verified by the County as to their validity, accuracy or conformance to any acceptable accounting, actuarial or reporting standards. This information should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the prospective financial information. Neither the County, the County's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained in the projections, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

OTHER LOCAL GOVERNMENTAL UNITS

There are more than 800 governmental units (the "**Units**") located in whole or in part within the boundaries of the County, each of which (i) is separately incorporated and derives its power and authority under laws of the State, (ii) has an independent tax levy or revenue source, and (iii) maintains its own financial records and accounts; and most of which are authorized to issue debt obligations. Although the taxing units share tax bases to some extent, they are separate entities with separate financial circumstances.

Approximately 48.0% of the Equalized Assessed Valuation of taxable property in the County is located within the City of Chicago. The remainder is located in other municipalities and unincorporated areas.

Other major governments within the County include the Forest Preserve District, the City of Chicago, the Metropolitan Water Reclamation District, the Chicago Park District, the Chicago Board of Education and the Chicago City Colleges. The financial impact of these units of government is further described in the tables captioned "Taxation of Real Property – Statistical Information Tax Rates Extended by City-Wide Local Governmental Units for Real Property in the City of Chicago" and "DEBT INFORMATION – Direct and Overlapping Debt."

A variety of special purpose entities have been created under Illinois law to facilitate the operations and financing of municipal, park, educational, transportation, health, sports, convention and port facilities, highways, housing, industrial development and other activities, none of which are authorized to impose real property taxes. These include (1) the Public Building Commission of Chicago, which issues bonds to finance the acquisition, construction and improvement of public buildings and leases its facilities to certain other governmental units; (2) the Regional Transportation Authority ("**RTA**"), which provides planning, funding, coordination and fiscal oversight of public mass transportation services in a six-county area of northeastern Illinois, including the County (the RTA Act provides for three service boards, including the Chicago Transit Authority ("**CTA**"), the suburban rail division ("**METRA**") and the suburban bus division ("**PACE**"); (3) the CTA, which owns, operates and maintains a transportation system (including both rail and bus transport) in the metropolitan area of the County and receives an annual $2,000,000 contribution from the County which is required by State law; (4) the Metropolitan Pier and Exposition Authority, which owns and operates the McCormick Place convention, exposition and related hotel facilities and Navy Pier; and (5) the Illinois Sports Facilities Authority which has issued bonds to provide funds for the construction of U.S. Cellular Field (formerly known as Comiskey Park) and the reconstruction of Soldier Field and the provision of lakefront improvements, which bonds are primarily supported by hotel tax revenues.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Information under this caption describes the procedures in effect as of the date of this Official Statement for real property assessment, tax levy and tax collection in the County. There can be no assurance that the procedures described herein will not be changed. Illinois laws relating to real property taxation are contained in the Illinois Property Tax Code (the "**Property Tax Code**").

Assessment

The County Assessor, who is elected by the voters of the County, is responsible for the assessment of all taxable real property within the County, except for certain railroad property, low sulphur dioxide emission coal-fueled devices and pollution control equipment which are assessed directly by the State. One-third of the real property in the County is reassessed each year on a repeating triennial schedule established by the County Assessor statute. The suburbs in the southwestern and southern portions of the County are being reassessed in 2011. The City of Chicago was reassessed in 2009. The suburbs in the northern and northwestern portions of the County were last reassessed in 2010.

Real property in the County is separated into classifications for assessment purposes. After the County Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentages to arrive at the assessed valuation (the "**Assessed Valuation**") for the parcel. The current classification percentages range from 10 to 25 percent depending on the type of property (e.g., residential, industrial, commercial) and whether it qualified for certain incentives for reduced rates.

The County Board has adopted various amendments to the County's Real Property Assessment Classification Ordinance (the "**Classification Ordinance**"), pursuant to which the Assessed Valuation of real property is established. Among other things, these amendments have reduced certain property classification percentages, lengthened certain renewal periods of classifications and created new property classifications.

Procedures have been established enabling taxpayers to contest their tentative Assessed Valuations. Once the County Assessor certifies the Assessed Valuations, a taxpayer can seek review of the assessment by the Cook County Board of Review (the "**Board of Review**") consisting of three commissioners elected by the voters of the County. The Board of Review has powers to review and adjust Assessed Valuations set by the Assessor.

Property taxpayers can appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "**PTAB**"), a state-wide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Depending on the amount of the proposed change in Assessed Valuation, taxpayers may appeal decisions of the PTAB to either the Circuit Court of Cook County or the Illinois Appellate Court under the Illinois Administrative Review Law.

In a series of recent PTAB decisions, the PTAB reduced the assessed valuations of certain commercial and industrial property in the County based upon the application of median levels of assessment derived from Illinois Department of Revenue sales-ratio studies instead of utilizing the assessment percentages provided in the Classification Ordinance. On appeal, the Illinois Appellate Court determined that it was improper for the PTAB, on its own initiative, to use the sales-ratio studies when such studies were not even raised as an issue by the taxpayer before the Board of Review or in its appeal to the PTAB.

The Appellate Court decisions do not preclude a taxpayer in a properly presented case from introducing into evidence sales-ratio studies for the purpose of obtaining an assessment below that which would result from application of the Classification Ordinance. No prediction can be made whether any currently pending or future case would be successful. The County believes that the impact of any such case on the County would be minimal, as the County's ability to levy or collect real property taxes would be unaffected.

As an alternative to seeking review of Assessed Valuations by the PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court of Cook County. In addition, subject to certain time limits, in cases where the County Assessor agrees that an assessment error has been made after the assessment process is completed, the County Assessor can correct the Assessed Value, and thus reduce the amount of taxes due, by issuing a certificate of error.

All reviews of assessments, whether before the Board of Review, the PTAB or the courts, are decided on a case-by-case basis.

Equalization

After the Assessed Valuation for each parcel of real estate in a county has been determined for a given year (including any revisions made by the Board of Review), the Illinois Department of Revenue reviews the assessments and determines an equalization factor (the "**Equalization Factor**"), commonly called the "**multiplier**," for each county. The purpose of equalization is to bring the aggregate assessed value of all real estate in each county, except farmland and undeveloped coal, to the statutory requirement of 33-1/3 percent of estimated fair cash value. Adjustments in Assessed Valuation made by the PTAB or the courts are not reflected in the Equalization Factor. The Assessed Valuation of each parcel of real estate in the County is multiplied by the County's Equalization Factor to determine the parcel's equalized assessed valuation (the "**Equalized Assessed Valuation**").

The Equalized Assessed Valuation for each parcel is the final property valuation used for determination of tax liability. The aggregate Equalized Assessed Valuation for all parcels in any taxing body's jurisdiction, after reduction for all applicable exemptions, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the "**Assessment Base**").

The following table sets forth the Equalization Factors for years 2002 through 2011.

Tax Year	Equalization Factor
2011	2.9706
2010	3.3000
2009	3.3701
2008	2.9786
2007	2.8439
2006	2.7076
2005	2.7320
2004	2.5757
2003	2.4598
2002	2.4689

Tax bills in Cook County are based on the Assessment Base for the preceding year. Property taxes billed in 2012 (for the 2011 tax year) will be based on the 2011 Equalized Assessed Valuation.

Exemptions

The Illinois Constitution allows homestead exemptions for residential property. Pursuant to the Property Tax Code, property must be occupied by the owner as a principal residence on January 1 of the tax year for which the exemption will be claimed.

The annual general homestead exemption provides for the reduction of the Equalized Assessed Valuation ("**EAV**") of certain property owned and used exclusively for residential purposes by the amount of the increase over the 1977 EAV, up to a maximum reduction of $5,000. There is an additional homestead exemption for senior citizens (individuals at least 65 years of age), for whom the Assessor is authorized to reduce the EAV by $3,000. An additional exemption is available for homes owned and exclusively used for residential purposes by disabled veterans or their spouses, for whom the Assessor is authorized to annually exempt up to $58,000 of the Assessed Valuation. An exemption is available for homestead improvements by an owner of a single family residence of up to $75,000 of the increase in the fair cash value of a home due to certain home improvements to an existing structure for at least four years from the date the improvement is completed and occupied. Senior citizens whose household income is $45,000 or less, and who are either the owner of record or have a legal or equitable interest in the property, qualify to have the EAV of their property frozen in the year in which they first qualify for the so-called "freeze" and each year thereafter in which the qualifying criteria are maintained.

In 2004, the Property Tax Code was amended to permit each county in the State, by enacting an ordinance within six (6) months of the effective date of the law, to limit future increases in the taxable value of residential property in such a county to an annual increase of not more than 7% per year. This is known as the Alternative Homestead Exemption. Upon adoption of such an ordinance, homestead property will generally be entitled to an annual homestead exemption equal to the difference between the property's EAV and the property's "adjusted homestead value." The County adopted an ordinance electing to be governed by this law. The exemption provided for under this law cannot exceed $20,000 in any taxable year. The purpose of the law is to reduce the increase in the taxable value of residential property that otherwise occurs when home values rise rapidly.

In 2007, the Alternative Homestead Exemption law enacted in 2004 was allowed to sunset. Since that time, two Public Acts have been enacted, each of which extends the Alternative Homestead Exemption law for an additional three years, in each case, subject to certain provisions and adjustments to the prior law.

The first such Public Act was Public Act 95-0644, enacted in 2007, and pursuant to which the maximum exemption was $33,000 in EAV in the first year, decreasing to $26,000 in the second year, and $20,000 in EAV in the third or final year. In the County, this increased exemption was "phased in" over a three-year period: 2006 through 2008 in the City, 2007 through 2009 in the northern and northwestern portions of the County, and 2008 through 2010 in the western and southern portions of the County. In 2010, Public Act 096-1418 was enacted, pursuant to which the maximum exemption will be $20,000 for the first year, decreasing to $16,000 for the second year and $12,000 for the third and final year. Upon the expiration of the extension of the Alternative Homestead Exemption law authorized by Public Act 95-0644 and Public Act 096-1418, the above-described general homestead exemption will apply.

Aside from homestead exemptions, upon application, review and approval by the Board of Review, or upon an appeal to the Illinois Department of Revenue, there are exemptions generally available for properties of religious, charitable, and educational organizations, as well as units of federal, state and local governments.

Additionally, counties have been authorized to create special property tax exemptions in long-established residential areas or in areas of deteriorated, vacant or abandoned homes and properties. Under such an exemption, long-time, residential owner-occupants in eligible areas would be entitled to a deferral or exemption from that portion of property taxes resulting from an increase in market value because of refurbishment or renovation of other residences or construction of new residences in the area. In 2001, the County enacted the Longtime Homeowner Ordinance, which provides property tax relief from dramatic rises in property taxes directly or indirectly attributable to gentrification in the form of an exemption. This is generally applicable to homeowners; (i) who have resided in their homes for 10 consecutive years (or five consecutive years for homeowners who have received assistance in the acquisition of the property as part of a government or nonprofit housing program), (ii) whose annual household income for the year of the homeowner's triennial assessment does not exceed 115 percent of the Chicago Primary Metropolitan Statistical Area median income as defined by the United States Department of Housing and Urban Development, (iii) whose property has increased in assessed value to a level exceeding 150 percent of the current average assessed value for properties in the assessment district where the property is located, and (iv) who, for any triennial assessment cycle, did not cause a substantial improvement which resulted in an increase in the property's fair cash value in excess of the $45,000 allowance set forth in the Property Tax Code.

Tax Levy

In addition to the County, the major Units having taxing power over real property within the County include the Forest Preserve District, the Metropolitan Water Reclamation District, the City of Chicago, the Chicago Park District, the Chicago Board of Education and the Chicago City Colleges.

As part of the annual budgetary process of the Units, proceedings are adopted by the governing body for each Unit each year in which it determines to levy real estate taxes. Such proceedings levy the Units' respective real estate taxes in terms of a dollar amount. Each Unit certifies its real estate tax levy, as established by the proceedings, to the County Clerk's Office. The remaining administration and collection of the real estate taxes is statutorily assigned to the County Clerk and the County Treasurer, who is ex-officio the County Collector.

After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit by dividing the levy of each Unit by the Assessment Base of the respective Unit. If any tax rate thus calculated or any component of such a tax rate (such as a levy for a particular fund) exceeds any applicable statutory rate limit, the County Clerk disregards the excessive rate and applies the maximum rate permitted by law.

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over that particular parcel. The County Clerk enters the tax (determined by multiplying the total tax rate by the Equalized Assessed Valuation of that parcel) in the Warrant Books prepared for the County Collector, along with the tax rates, the Assessed Valuation and Equalized Assessed Valuation. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

The Illinois Truth in Taxation Law contained within the Property Tax Code imposes procedural limitations on a Unit's real estate taxing powers and requires that notice in the prescribed form must be published if the aggregate annual levy is estimated to exceed 105% of the levy of the preceding year, exclusive of levies for debt service, election costs and payments due under public building commission leases. A public hearing must also be held, which may not be in conjunction with the budget hearing of the Unit on the adoption of the annual levy. No amount in excess of 105% of the preceding year's levy may be used as the basis for issuing tax bills to property owners unless the levy is accompanied by a certification of compliance with the foregoing procedures. This Law does not impose any limitations on the rate or the amount of the levy to pay principal of and interest on County general obligation bonds and notes.

Collection

Property taxes are collected by the County Collector, who remits to each Unit its share of the collections. Taxes levied in one year are extended and become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. Historically, the first installment has been an estimated bill equal to one-half of the prior year's tax bill. Pursuant to the provisions of a 2009 amendment to the Property Tax Code, beginning with the first installment of property taxes payable in 2010, the first installment is now an estimated bill equal to 55% of the prior year's tax bill. The second installment is for the balance of the current year's tax bill, and is based on the current levy, Assessed Valuation and Equalization Factor and applicable tax rates, and reflects any changes from the prior year in those factors. Taxes on railroad real property used for transportation purposes are payable in one lump sum on the same date as the second installment.

The following table sets forth the second installment penalty date (that is the date after which interest is due on unpaid amounts) for the last ten years for which information is available; the first installment penalty date has been March 1 for all years.

Tax Year	Second Installment Penalty Date
2011	August 1, 2012
2010	November 1, 2011
2009	December 13, 2010
2008	December 2, 2009
2007	November 3, 2008
2006	December 3, 2007
2005	September 1, 2006
2004	November 1, 2005
2003	November 15, 2004
2002	October 1, 2003

During periods of peak collections, the County Collector, as recipient of tax collections, forwards tax receipts to each Unit, including the County, on no less than a weekly basis. Upon receipt of taxes from the County Collector, the County Treasurer, as holder of County funds, promptly credits the taxes received to the funds for which they were levied. Amounts for debt service for certain bonds issued by the County in the past are deposited directly with escrow agents or trustees for those obligations. Tax receipts collected to pay debt service on the Bonds will be deposited by the County Collector directly with the Trustee.

At the end of each collection year, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court order resulting from the application for judgment provides for an annual sale of all unpaid taxes shown on that year's Warrant Books (the "**Annual Tax Sale**"). The Annual Tax Sale is a public sale, at which time successful tax buyers pay the unpaid taxes plus penalties. Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 18% interest for each six-month period after the sale. If no redemption is made within the applicable period (ranging from six months to two and one-half years depending on the type and occupancy of the property) and the tax buyer files a petition in Circuit Court, notifying the necessary parties in accordance with applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens and for civil actions to collect taxes.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, and the taxes remain unpaid, the taxes are forfeited and eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

A scavenger sale (the "**Scavenger Sale**"), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is scheduled every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at the Scavenger Sale, which may be less than the amount of the delinquent taxes. Redemption periods vary from six months to two and one-half years, depending upon the type and occupancy of the property.

The Annual Appropriation Bill of the County has a provision for an allowance for uncollectible taxes. The County reviews this provision annually and makes adjustments accordingly. The allowance for uncollected taxes will not be more than 3% for fiscal years 2011 and 2012. For financial reporting purposes, uncollected taxes are written off by the County at the end of the fiscal year immediately following the year in which the taxes become due, although taxes remain liens against the properties taxed.

State and County Limitation Laws

Through a combination of strong financial controls and the adoption of the Cook County Tax Relief Ordinance (described below), the County has controlled the growth of property taxes that it imposes on its citizens. By virtue of its constitutional home rule powers, the enactment of any legislation by the State applying any statutory tax rate limit to the County would require a three-fifths vote of each house of the Illinois General Assembly. No legislation is currently pending to impose a limit on the property tax rates which may be levied by home-rule units of government in Illinois, nor has any such legislation been proposed in the recent past, although the State has recently enacted, with the required three-fifths vote of each house, legislation which imposes limitations on the ability of home-rule units, such as the County, to increase real property transfer taxes. It is not possible to predict whether, or in what form, any property tax limitations applicable to the County would be enacted by the Illinois General Assembly. The adoption by the Illinois General Assembly of any such limits on the extension of real property taxes may, in future years, adversely affect the County's ability to levy property taxes to finance operations at current levels and the County's power to issue additional general obligation debt without the prior approval of voters. However, any property tax limits that might be imposed by the Illinois General Assembly after the issuance of the Bonds would not affect the amount of taxes levied to pay the principal of and interest on the Bonds.

The State Limitation Law. As the result of certain legislation enacted by the State in 1991, and amended in 1995 (the "**State Limitation Law**"), the Property Tax Code limits (a) the amount of property taxes that can be extended for non-home rule units located in the County and counties contiguous to the County and (b) the ability of those taxing districts to issue unlimited tax general obligation bonds without voter approval (the "**State Tax Cap**"). Generally, the extension of property taxes for a taxing district subject to the State Tax Cap may increase in any year by 5% or the percent increase in the Consumer Price Index, whichever is less, or the amount approved by referendum. In 1995, the State Tax Cap was amended to authorize the issuance of "limited bonds" payable from the "debt service extension base" and to exclude from the State Tax Cap "double-barreled alternate bonds" issued pursuant to Section 15 of the Local Government Debt Reform Act of the State. Pursuant to an amendment to the Property Tax Code, commencing with the 2009 levy year, a taxing district's debt service extension base will increase each year by the lesser of five percent or the percentage increase in the Consumer Price Index during the twelve month calendar period preceding the levy year. The County, as a home rule unit, is not subject to the limitations created by the State Limitation Law.

The Cook County Tax Relief Ordinance. In 1994, the County Board approved Ordinance No. 94-O-15, known as the Cook County Property Tax Relief Ordinance (the "**County Ordinance**"). Beginning with the real estate tax levies for the Corporate, Public Safety and Health Funds for 1995 for taxes paid in 1996 and thereafter, the County Board has resolved not to increase the aggregate tax levy for such funds for any year over the prior year's aggregate levy by an amount greater than five percent or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year, whichever is less. The County Board may adopt an aggregate levy for any year in excess of the foregoing limitations if approved by a two-thirds vote of the members of the County Board then in office. Tax levy increases for pensions, elections and debt service are excluded from the limit imposed by the County Ordinance. The County Ordinance can be repealed or amended by the County Board.

TAXATION OF REAL PROPERTY – STATISTICAL INFORMATION

The Equalized Assessed Valuation and the estimated fair market value of real property in the County over recent years are set forth below. The figures shown for each year for estimated fair market value correspond to the Equalized Assessed Valuation for the same year.

Estimated Fair Market Value(1)

Tax Year	Chicago	Outside Chicago	Total Cook County
2009	$280,288,729,779	$269,846,639,980	$550,135,369,759
2008	310,888,609,224	305,274,984,918	616,163,594,142
2007	320,503,503,311	335,971,241,010	656,474,744,321
2006	329,770,773,208	336,452,288,416	666,223,061,624
2005	283,137,884,228	298,233,410,475	581,371,294,703
2004	262,080,627,240	279,861,423,208	541,942,050,448
2003	223,572,427,499	248,399,241,436	471,971,668,935
2002	201,938,231,141	226,167,676,714	428,105,907,855
2001	185,912,245,582	206,294,563,482	392,206,809,064
2000	162,593,364,370	186,372,890,734	348,966,255,104

(1) Source: *Civic* Federation, Chicago, Illinois, based upon information from the Cook County Assessor's Office and the Illinois Department of Revenue. Excludes railroad property, pollution control property or that part of O'Hare International Airport in DuPage County.

Equalized Assessed Valuation(1)

Tax Year	Chicago	Outside Chicago	Total Cook County
2011	$75,122,913,910	$76,946,137,806	$152,069,051,716
2010	82,087,170,063	88,317,443,227	170,404,613,290
2009	84,586,807,689	93,483,786,583	178,070,594,272
2008	80,977,543,020	92,664,404,974	173,641,947,994
2007	73,645,316,037	85,621,597,612	159,266,913,649
2006	69,510,477,563	74,833,590,915	144,344,068,478
2005	59,304,530,189	74,067,183,541	133,371,713,730
2004	55,277,096,114	66,285,459,114	121,562,555,228
2003	53,168,632,414	59,332,812,042	112,501,444,456
2002	45,330,892,358	59,754,320,644	105,085,213,002

(1) Source: Cook County Clerk, Tax Extension Division.

Equalized Assessed Valuation (in thousands) by Property Type[(1)]

Tax Year	Residential	Commercial	Industrial	Railroad	Farm	Totals
2011	$101,103,265	$34,168,805	$16,506,122	$286,642	$4,218	$152,069,052
2010	113,007,050	39,029,083	18,096,144	268,015	4,321	170,404,613
2009	116,989,727	41,984,691	18,870,757	220,408	5,013	178,070,596
2008	109,189,810	43,372,930	20,878,458	193,338	7,412	173,641,948
2007	99,210,511	40,296,203	19,574,172	179,073	6,954	159,266,913
2006	87,209,147	38,638,355	18,327,403	162,588	7,287	144,344,780
2005	77,653,159	37,824,888	17,731,155	154,599	7,913	133,371,714
2004	69,102,041	35,699,598	16,598,200	154,646	8,070	121,562,555
2003	61,930,532	34,580,261	15,830,733	150,989	8,928	112,501,443
2002	56,590,845	32,427,922	15,617,940	439,664	8,839	105,085,210
2001	49,288,711	30,633,742	14,567,049	410,981	9,170	94,909,653

(1) Source: Cook County Clerk, Tax Extension Division.

The following tables show (i) the rates at which taxes have been extended for collection in the City of Chicago; (ii) the rates at which taxes have been extended for collection for the various County funds; (iii) the dollar amount of taxes extended for collection for each of the various County funds; and (iv) the dollar amount of taxes extended and collected for the County.

Tax Rates Extended by City-Wide Local Governmental Units for Real Property in the City of Chicago (Per $100 Equalized Assessed Valuation)[(1)]

Tax Year[(2)]	Cook County	Forest Preserve District	Metropolitan Water Reclamation District	City of Chicago	Chicago Park District	Chicago Board of Education	Chicago City Colleges	Total Rate
2011	.462	.058	.320	.999	.346	2.875	.165	5.225
2010	.423	.051	.274	.914	.319	2.581	.151	4.713
2009	.394	.049	.261	.887	.309	2.366	.150	4.416
2008	.415	.051	.252	0.928	.323	2.472	.156	4.714
2007	.446[(3)]	.053	.263	1.004	.355	2.583	.159	4.954
2006	.500	.057	.284	1.012	.379	2.697	.205	5.252
2005	.533[(3)]	.060	.315	1.243	.443	3.026	.234	5.981
2004	.593	.060	.347	1.302	.455	3.104	.242	6.280
2003	.630[(3)]	.059	.361	1.380	.464	3.142	.246	6.433
2002	.690	.061	.371	1.591	.545	3.562	.280	7.277

(1) After *abatement*.
(2) Based on taxes extended for collection in the succeeding year as a percentage of the Equalized Assessed Valuation for the tax year.
(3) In *addition*, a tax of $.012 for 2009, $.014 for 2005, $0.029 for 2003 and $0.032 for 2001 was extended against all real property in the County outside the City of Chicago for election costs.

County Tax Rates by Fund Tax Year(1)
(Per $100 Equalized Assessed Valuation)

Fund	2011	2010	2009	2008	2007
Corporate	$0.009	$0.007	$0.007	$0.007	$0.008
Health	0.078	0.082	0.084	0.086	0.093
Public Safety	0.161	0.113	0.114	0.123	0.167
Election(2)	0.000	0.026	0.000	0.025	0.012
Bond and Interest	0.123	0.112	0.117	0.105	0.116
Employees' Annuity and Benefits	0.091	0.083	0.071	0.069	0.062
TOTALS	$0.462	$0.423	$0.393	$0.415	$0.458

(1) Taxes *for* a tax year are extended for collection in the succeeding year.
(2) In *addition*, a tax of $0.012 for 2009 was extended against all real property in the County outside the City of Chicago for election costs.

County Tax Extensions by Fund Tax Year(1)

Fund	2011	2010	2009	2008	2007
Corporate	$12,912,708	$ 11,814,356	$ 12,546,222	$ 12,546,222	$ 12,546,222
Health	118,405,014	140,170,567	148,853,737	148,853,737	148,853,737
Public Safety	244,587,612	191,946,006	203,836,519	182,230,414	265,212,731
Election(2)	19,000,000	43,950,596	19,000,000	44,000,000	10,000,000
Bond and Interest	187,080,716	190,760,412	209,147,064	212,729,169	184,941,441
Employees' Annuity and Benefits	138,497,492	141,841,605	127,100,000	120,124,000	98,929,411
TOTALS	$720,483,542	$720,483,542	$720,483,542	$720,483,542	$720,483,542

(1) Taxes for a tax year are extended for collection in the succeeding year
(2) Includes *tax* for the years 2009 and 2007 extended on all property in the County outside the City of Chicago for election costs.

County Tax Extensions and Collections
(Calendar Years)

				First Calendar Year Collections of Net Extensions (1)			Total Cumulative Collections as of July 17, 2012		
Tax Year(2)	Gross Tax Extensions(3)	Allowance for Uncollected Taxes(4)	Net Tax Extensions	Amount Collected	Percent Gross	Percent Net	Amount Collected	Percent Gross	Percent Net
2011	$720,483,542	$ 3,661,344	$716,822,198	$687,019,675	95.36%	95.84%	$687,019,675	95.36%	95.84%
2010	720,483,542	11,598,042	708,885,500	687,369,757	95.40	96.96	705,309.475	97.89	99.50
2009	720,483,542	11,527,095	708,956,447	617,635,836	85.73	87.12	716,535,014	99.45	101.07
2008	720,483,542	11,628,911	708,854,631	627,070,439	87.03	88.46	709,884,730	98.53	100.78
2007	720,483,542	13,096,381	707,387,161	686,769,823	95.32	97.09	712,769,970	98.93	100.76
2006	720,483,542	11,004,381	709,479,161	633,557,185	87.93	89.30	707,163,839	98.15	99.67
2005	720,483,544	11,013,957	709,469,587	697,087,879	96.75	98.25	712,822,485	98.94	100.47
2004	720,483,544	16,687,104	703,796,440	694,569,706	96.40	98.69	694,569,706	96.40	98.69
2003	725,149,925	16,685,946	708,463,979	659,259,628	90.91	93.05	727,475,627	100.32	102.68
2002	725,087,969	16,883,713	708,204,256	710,375,867	97.97	100.31	710,375,867	97.97	100.31

(1) Source: Cook County Treasurer. Beginning with second installment penalty date in year of extension. Collections for Tax Year 2011 still in progress.
(2) Taxes for a tax year are extended for collection in the succeeding year. From 2002 to 2003, reflects net of adjustments by the County Clerk at extension.
(3) Numbers may not match the sums reflected in the County Tax Extensions by Funds Tax Year above due to rounding.
(4) The allowance for uncollected taxes was 3% for 2000 through 2011.

DEBT INFORMATION

The following tables describe the County's general obligation bonded debt as set forth below.

Direct and Overlapping Debt

The following table sets forth the direct and overlapping bonded debt of certain major governmental units applicable to the County as of December 2, 2012, taking into account the issuance of the Bonds and the refunding of the Refunded Bonds (except as noted below).

Direct Debt	
General Obligation Bonds	$3,690,315,000
Sales Tax Bonds	90,000,000
PLUS: Series 2012C Bonds	380,530,000
PLUS: Taxable Series 2012D Bonds	29,410,000
LESS: The Refunded Bonds	(483,820,000)
Total Direct Debt	$3,706,435,000
Overlapping Debt	
City of Chicago	$7,784,610,442
Chicago Board of Education(1)(2)	6,029,022,739
Chicago Park District(1)(2)	875,054,000
Metropolitan Water Reclamation District	2,496,979,231
Forest Preserve District	188,865,000
Total Overlapping Debt(3)	$17,374,531,412
Total Direct Debt and Overlapping Debt(3)	$21,080,966,412

(1) Includes responsibility for principal amounts of bonds issued by the Public Building Commission.
(2) Includes "alternate bonds"; which are secured by a dedicated pledge of revenues and the general obligation taxing ability of the issuer.
(3) Does not include debt issued by other governmental units located within Cook County.

Selected Debt Statistics

2010 Estimated Population[1]	5,194,675
2011 Equalized Assessed Valuation	$152,069,051,716
2009 Estimated Fair Market Value[2]	$550,135,369,759

	Per Capita[4]	% of Equalized Assessed Valuation	% of Estimated Fair Market Value
Direct Debt	$713.51	2.44%	0.67%
Direct and Overlapping Debt[3]	$4,058.19	13.86%	3.83%

(1) Source: U.S. Census Estimate.
(2) Source: Civic Federation, Chicago, Illinois, based upon information from the Cook County Assessor's Office and the Illinois Department of Revenue.
Excludes railroad property, pollution control property or that part of O'Hare International Airport in DuPage County.
(3) Does not include debt issued by other governmental units within Cook County.
(4) For illustrative purposes; estimated highest per capita debt is within the boundaries of the City of Chicago.

The County of Cook, Illinois
General Obligation Bond Debt Service as of November 15, 2012
(Taking into account the issuance of the Bonds and the refunding of the Refunded Bonds.)

	Outstanding Debt			Plus: The Bonds		Less: Refunded Bonds		Total Debt Service		
Year	Principal	Interest[(1)(2)(3)]	Total	Principal	Interest	Principal	Interest[(1)]	Principal	Interest	Total Principal and Interest
2013	$ 31,565,000	$ 175,850,268	$ 207,415,268	$ -	$ 17,381,879	$ -	$ 17,516,925	$ 31,565,000	$ 175,715,222	$ 207,280,222
2014	115,090,000	182,949,509	298,039,509	5,200,000	19,194,713	19,150,000	21,140,050	101,140,000	181,004,172	282,144,172
2015	124,710,000	185,837,373	310,547,373	-	19,166,113	21,305,000	23,757,800	103,405,000	181,245,686	284,650,686
2016	130,755,000	179,965,140	310,720,140	-	19,166,113	22,170,000	22,659,113	108,585,000	176,472,140	285,057,140
2017	137,255,000	173,750,601	311,005,601	-	19,166,113	16,355,000	21,515,975	120,900,000	171,400,739	292,300,739
2018	144,250,000	166,965,481	311,215,481	16,950,000	19,166,113	22,895,000	20,686,975	138,305,000	165,444,619	303,749,619
2019	151,635,000	159,763,866	311,398,866	24,555,000	18,822,028	23,875,000	19,503,138	152,315,000	159,082,757	311,397,757
2020	159,425,000	152,194,952	311,619,952	21,000,000	17,821,750	20,555,000	18,268,738	159,870,000	151,747,964	311,617,964
2021	167,645,000	144,182,793	311,827,793	21,855,000	16,801,750	21,460,000	17,198,688	168,040,000	143,785,855	311,825,855
2022	176,360,000	135,757,073	312,117,073	23,220,000	15,739,000	22,870,000	16,092,838	176,710,000	135,403,235	312,113,235
2023	185,610,000	126,752,997	312,362,997	18,100,000	14,608,000	17,725,000	14,985,213	185,985,000	126,375,784	312,360,784
2024	185,590,000	117,249,534	302,839,534	77,705,000	13,703,000	77,310,000	14,098,963	185,985,000	116,853,571	302,838,571
2025	190,940,000	107,557,518	298,497,518	80,915,000	9,817,750	80,500,000	10,233,463	191,355,000	107,141,806	298,496,806
2026	196,490,000	97,704,546	294,194,546	4,935,000	5,772,000	4,500,000	6,208,463	196,925,000	97,268,083	294,193,083
2027	202,240,000	87,650,957	289,890,957	4,945,000	5,525,250	4,500,000	5,972,213	202,685,000	87,203,995	289,888,995
2028	207,875,000	77,723,676	285,598,676	4,955,000	5,278,000	4,500,000	5,735,963	208,330,000	77,265,713	285,595,713
2029	213,230,000	67,375,116	280,605,116	80,365,000	5,030,250	79,900,000	5,499,713	213,695,000	66,905,654	280,600,654
2030	219,305,000	56,262,696	275,567,696	240,000	1,262,000	-	1,504,713	219,545,000	56,019,984	275,564,984
2031	225,635,000	44,720,201	270,355,201	250,000	1,250,000	-	1,504,713	225,885,000	44,465,489	270,350,489
2032	231,645,000	31,881,339	263,526,339	3,750,000	1,237,500	3,485,000	1,504,713	231,910,000	31,614,127	263,524,127
2033	153,495,000	17,792,982	171,287,982	21,000,000	1,050,000	20,765,000	1,288,468	153,730,000	17,554,514	171,284,514
2034	139,570,000	8,693,815	148,263,815	-	-	-	-	139,570,000	8,693,815	148,263,815
Total	$3,690,315,000	$2,498,582,433	$6,188,897,433	$409,940,000	$246,959,322	$483,820,000	$266,876,831	$3,616,435,000	$2,478,664,924	$6,095,099,924

(1) Interest rate on variable rate bonds assumed to be 5.00% for the Series 2012B Bonds and the Series 2004D Bonds and 4.50% for the Series 2012A Bonds and the Series 2002B Bonds.
(2) Net of capitalized interest.
(3) No effect given to receipt of payments from the federal government in connection with “Build America Bonds”.
(4) Totals may not add due to rounding.

FUTURE FINANCINGS

Pursuant to the Bond Ordinance the County is authorized to issue up to $295,000,000 in capital project bonds for capital projects, subject to the approval of such specific capital projects by the Cook County Board of Commissioners.

ACCOUNTING AND FINANCIAL INFORMATION

Description of Accounting Practices

Pursuant to its home rule authority, the County enjoys significant discretion in managing its governmental and fiscal affairs. The County's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse, and to ensure the adequate compilation of accounting data to enable the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The accounting system of the County is operated and maintained on a fund accounting basis implemented to present the financial position and results of operations of each fund. The accounting system of the County is also designed to provide budgetary control over the revenues and expenditures of each fund. For a summary of significant accounting practices of the County, see "APPENDIX A – Audited Basic Financial Statements For The Fiscal Year Ended November 30, 2011 – Notes to Basic Financial Statements." The unaudited budgetary actual information contained herein is obtained from the County's general ledger.

The County's CAFRs for several prior years are available online at the County's website at www.buycookcountygov.com. The CAFR, including Management's Discussion and Analysis, is intended to provide the reader with a broad overview of the financial position and operating results of the County's governmental and business-type activities and its major funds.

Cash Management

The cash records of all County funds, except those of the Forest Preserve District and the Retirement Fund, are maintained by the County Treasurer and Comptroller. Except for cash escrowed and held by trustees for debt service, capital improvements, and other bond-related accounts as directed by the County Board, the County Treasurer deposits all cash into the County's master operating account. On no less than a weekly basis, scheduled payments are made to third parties, and funds from the master operating bank account are transferred to four disbursement accounts; Salary, Supply, Juror and Election. Unused daily balances earn interest through the use of an automated sweep account. Cash temporarily idle during the year is invested in instruments authorized by State statute, including United States Treasury Securities, tax-exempt municipal securities, certificates of deposit, mutual funds, time deposits and interest-bearing savings accounts. Investments are made on an aggregate basis, but the interest thereon is posted to the individual funds.

Investment Policy

The County Treasurer, who is responsible for the investment of certain County funds, has a written investment policy applicable to County funds. Under the current policy, safety of principal is the primary investment objective, followed by liquidity and rate of return. All public moneys are deposited in banks that are required to collateralize deposited funds with approved securities equal to 102% of market value. The County Treasurer maintains a system to monitor the market value of such collateral securities. All collateral is held at third party safekeeping institutions acting as custodian. Securities approved for investment include (1) U.S. Treasury Bills, Notes and Bonds, (2) certificates of deposit or time deposits issued by national or state chartered banks within Cook County, and (3) certain other investments permitted by State law, including, (a) interest-bearing savings accounts constituting direct obligations of a bank, (b) shares or other securities issued by savings and loan associations, provided they are insured by the Federal Deposit Insurance Corporation, (c) securities guaranteed by the full faith and credit of the United States of America as to principal and interest, and (d) short-term discount obligations of Fannie Mae. This investment policy is subject to change by the County Treasurer in accordance with applicable law. In addition, the Treasurer is authorized to invest in the Illinois Treasurer's Investment Pool pursuant to an ordinance adopted by the County Board.

Fiduciary Funds

County Employees' and Officers' Annuity and Benefit Fund of Cook County. Information on the County Employees' and Officers' Annuity and Benefit Fund of Cook County is available under "COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND OF COOK COUNTY" herein.

Agency Funds. The Agency Funds consist of all funds received by the County as an agent. These funds will be expended or invested by the entities in its agency capacity at a scheduled time in the future. Such Agency Funds account for the property tax as collected by the County Treasurer's Office as the fiscal agent for all taxing bodies within the County. The Treasurer's Office then disburses the allocated taxes to the 1,700 local governmental agencies and sub-agencies across the County. Similarly, the County Circuit Clerk's Office collects statutory and court ordered fines, fees, penalties, costs and assessments and then disburses to the County, State and other units of local government.

Special Revenue Funds

The Special Revenue Funds consist of funds of the County and the Forest Preserve District that are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally or, through regulation, restricted to expenditure for specific purposes and other funds considered restricted by management. Special Revenue Funds are comprised of budgeted funds included in the Annual Appropriation Bill (Budget) and nonbudgeted funds.

Pursuant to State statute, the County is responsible for certain election costs in the City in even-numbered years causing the allocation of the property tax levy for the Election Fund to be significantly lower in odd-numbered years.

Working Cash

The County's taxes levied for its budget for a fiscal year are extended for collection in the calendar year following the end of the fiscal year. Thus, taxes levied for operating expenses for the County's 2011 fiscal year ending November 30, 2011, will be extended for collection in calendar year 2012. In order to finance operations pending the collection of taxes and to provide for month-to-month cash flow needs, the County maintains a Working Cash Fund.

The County maintains a consolidated Working Cash Fund for corporate, public safety, health and election purposes. The money to establish and increase this Working Cash Fund was obtained from the issuance of long-term bonds and from legally available County funds.

Working Cash Funds Available Amounts
(as of November 30)

Fund	2011	2010(1)	2009	2008(2)	2007
Corporate	$22,267,940	$22,262,142	$22,254,719	$22,219,471	$24,719,432
Public Safety	68,105,071	68,099,146	78,086,948	79,051,664	78,956,964
County Health	95,147,154	95,011,517	94,867,375	83,437,638	112,337,638
Subtotals	**$185,520,165**	**$185,372,805**	**$195,209,042**	**$184,708,773**	**$216,014,034**
Election	23,938,920	23,931,039	23,918,902	23,918,902	23,894,582
Totals	**$209,459,085**	**$209,303,844**	**$219,127,944**	**$208,627,675**	**$239,908,616**

(1) In the Fiscal Year 2010 appropriation bill, the County Board approved a permanent transfer of $10 million to the General Fund.
(2) On November 25, 2008, the County Board approved a resolution authorizing the office of the Comptroller to expend up to $28.9 million to settle the Self Insurance Fund Obligation due and owing as approved as of November 25, 2008 through May 31, 2009. The resolution also required the final repayment of Working Cash Fund transfer by May 31, 2009. Repayment of the full amount was made on May 29, 2009.

In addition to advances from the Working Cash Fund, cash credited to the operating funds that is not currently required for operations may also be borrowed by other funds on a temporary basis to cover needs for cash prior to anticipated cash receipts by the borrowing fund. These interfund borrowings result from the issuance of checks in amounts in excess of the cash credited to the fund for which the check was issued. No interfund borrowings are made from funds maintained for debt service.

Financial Information (Budgetary Basis)

The financial information on the following pages pertaining to the Executive Budget Recommendation for FY 2013 (the "**Executive Budget Recommendation for FY 2013**") and the Final Adopted Budget for FY 2012 (the "**FY 2012 Budget**") is prepared on a legally prescribed budgetary basis of accounting that differs from generally accepted accounting principles (GAAP). Such financial information as presented herein was prepared based on records maintained by the County Comptroller and the County Office of Management and Budget, and this presentation has not been examined by the County's external auditors. The FY 2012 Budget was approved on November 18, 2011. The Executive Budget Recommendation for FY 2013 was introduced on October 18, 2012. The FY 2013 Budget (the "**FY 2013 Budget**") was approved on November 9, 2012 with a series of amendments that in aggregate resulted in an estimated reduction of $1.7 million in both revenues and expenditures across all funds from the Executive Budget Recommendation for FY 2013.

The significant differences in accounting practices between the operating statements presented under GAAP and the budgetary operating statements follow:

i) Property tax levies and personal property replacement taxes ("**PPRT**") are recognized as revenue in the budgetary statements in the year levied or the year replacement personal property taxes would have been levied. The fund operating statements prepared under GAAP recognize property tax levies as revenue in the subsequent year when they become available; PPRT are recognized when collected by the County.

ii) Expenditures related to specific property tax levies (i.e., pension obligation, principal and interest on general obligation bonds, rental obligations, and allowances for uncollectible taxes) are recognized in the budgetary statements in the year the taxes are levied. The GAAP fund operating statements recognize these expenditures when the related liability is incurred with the exception of principal and interest on general long-term debt, which is recognized when due.

iii) Encumbrances are combined with expenditures in the budgetary statements but are excluded in the GAAP fund operating statements.

iv) Incurred obligations (i.e., accounts payable and accrued salaries) are recognized as expenditures when paid in the budgetary statements while the GAAP fund operating statements recognize these items when the related liability is incurred.

v) Revenue is recognized when received in the budgetary statements, while the GAAP fund operating statements recognize these items when measurable and available for financing current obligations.

Reconciliation of the differences between the GAAP and audited budgetary operating statements for the year ended November 30, 2011 is set forth in "APPENDIX A – Audited Basic Financial Statements For The Fiscal Year Ended November 30, 2011 – Notes to Financial Statements – Note 2."

DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

Discussion of Financial Operations (Budgetary Basis)

This discussion is based on the FY 2013 Budget and the FY 2012 Budget, which are prepared on the budgetary basis of accounting. The budgetary basis of accounting is different in several respects from GAAP. The financial information presented herein was prepared based on records maintained by the County Comptroller and the County Office of Management and Budget. The County's largest tax revenue sources continue to be the property tax levy and home rule sales tax, however the implementation of several additional revenue sources over the last two decades, in addition to the substantial fee revenues have diversified funding for the operating funds. Certain revenue sources, such as the property tax, patient fees and court fees, are required to be expended in the respective funds. The sales tax, however, may be allocated to any of the operating funds. From year to year the County may change that allocation.

Principal Sources of Revenues and Expenditures

In the FY 2013 Budget for the County's fiscal year ending November 30, 2013, the principal sources of revenues are: fees (approximately 29.5%); property taxes (approximately 21.8%); home rule taxes (approximately 23.8%); and intergovernmental transfers (approximately 5.8%). Corporate Fund appropriations account for approximately 4.4% of the FY 2013 Budget, Health Fund appropriations account for approximately 29.1% of the FY 2013 Budget, and Public Safety Fund appropriations account for approximately 35.7% of the FY 2013 Budget. Other major appropriations are for Bond and Interest (approximately 5.6%), Retirement Fund (approximately 5.8%) and Capital Improvement (approximately 11.2%) of the FY 2013 Budget.

In the FY 2012 Budget for the County's fiscal year ending November 30, 2012, the principal sources of revenues are: fees (approximately 28.8%); property taxes (approximately 21.5%); home rule taxes (approximately 25.0%); and intergovernmental transfers (approximately 11.1%). Corporate Fund appropriations account for approximately 4.9% of the FY 2012 Budget, Health Fund appropriations account for approximately 26.7% of the FY 2012 Budget, and Public Safety Fund appropriations account for approximately 35.2% of the FY 2012 Budget. Other major appropriations are for Bond and Interest (approximately 5.9%), Retirement Fund (approximately 5.9%) and Capital Improvement (approximately 11.7%) of the FY 2012 Budget.

Self-Insurance

The County self-insures all risks, including medical malpractice, workers' compensation, general, automobile and other liability. The County is a defendant in lawsuits alleging medical malpractice, work-related injuries, highway cases and other claims in which it is involved. Cases related to these areas are in various stages of the legal process.

The County engages an external actuary to provide an actuarial estimate of its liabilities for self-insured expenses. The liability recorded reflects a 4.0% discount factor. If the discounted estimate were not used, the ultimate liability for the self-insured programs would be approximately $33.3 million higher than the amount recorded in the audited financial statements at November 30, 2011.

Beginning in fiscal year 2001, the County purchased excess liability insurance coverage related to medical malpractice and other claims. The medical malpractice policy is on a claims made basis. The liability recorded as of November 30, 2011 (audited) reflects the net liability of the County.

The County funds its self-insurance liabilities, including those of the CCHHS, on a current basis and has the authority to finance such liabilities through the levy of property taxes. While it is difficult to estimate the timing or amount of expenditures, management of the County believes that the self-insurance liabilities recorded at November 30, 2011 (audited) are adequate to provide for potential losses resulting from medical malpractice, workers' compensation and other claims including incurred but not reported claims. The self-insurance liabilities recorded are based on facts known at the current time; however, the discovery of additional information concerning specific cases could affect estimated costs in the future.

For the fiscal year ended November 30, 2011 (audited), amounts charged by the self-insurance fund to other County funds for worker's compensation are reported as revenues to the self-insurance fund and expenditure/expenses of the fund charged.

The following table describes the activity during fiscal years 2010 and 2011 for the primary classifications of liabilities (in millions):

TYPE	Balance at Nov. 30, 2009	Insurance and Claims Payouts	Net of Actuarial Adjustments	Balance at Nov. 30, 2010	Insurance and Claims Payouts	Net of Actuarial Adjustments	Balance at Nov. 30, 2011
Medical Malpractice	$170.6	$(16.8)	$ (9.8)	$144.0	$(18.8)	$(3.1)	$122.1
Workers Compensation	58.8	(19.2)	23.2	62.8	(21.7)	6.1	47.2
General	3.7	(0.1)	(0.7)	2.9	(0.1)	0.9	3.7
Automobile	6.6	(0.1)	0.7	7.2	(0.2)	0.3	7.3
Claim Expense Reserves	26.8	(10.6)	15.9	32.1	(8.8)	1.6	24.9
Other	106.2	(12.6)	6.7	100.3	(51.2)	15.7	64.8
Total Claims Liability	$372.7	$(59.4)	$36.0	$349.3	$(100.8)	$21.5	$270.0

Source: Cook County Department of Risk Management.

BUDGETARY PROCEDURES AND INFORMATION

The fiscal year of the County begins on December 1. The County Board adopted the Annual Appropriation Bill for fiscal year 2012 on November 18, 2011 and adopted the Annual Appropriation Bill for fiscal year 2013 on November 9, 2012.

The development of the annual budget begins with a Preliminary Budget released by the County Office of Management and Budget by June 30 of each year. The Preliminary Budget identifies both the status of the County Budget during the current fiscal year, as well as an estimate for the ensuing fiscal year. Following release of the Preliminary Budget, each department submits a detailed request for appropriation. Meetings are then held by the President of the County Board, Chief Financial Officer and Budget Director with each department to review the requests. Based on department requests and available resources, an Executive Budget is prepared for the President of the County Board by the Chief Financial Officer, in conjunction with the Budget Director and the County Comptroller.

The Executive Budget Recommendation, as proposed by the President of the County Board, is submitted to the Committee on Finance, which in turn holds hearings involving each department. The

Committee on Finance prepares the Annual Appropriation Bill in tentative form, which is made available for public inspection for at least ten days prior to final action. Public hearings on the tentative Annual Appropriation Bill are then held. Amendments to the tentative Annual Appropriation Bill are then approved by the Committee on Finance. Subsequently, the Final Budget in the form of the Annual Appropriation Bill is approved and adopted by the County Board. For a summary of budgetary procedures of the County, see "APPENDIX A – Audited Basic Financial Statements For the Fiscal Year Ended November 30, 2011 – Notes to Basic Financial Statements."

Summary of Appropriations and Expenditures for Fiscal Year 2012 and Comparative Appropriations and Expenditures for Fiscal Year 2013 – Budgetary Basis

The table below sets forth the funds appropriated in the Annual Appropriation Bill for FY 2012 and the Executive Budget Recommendation for FY 2013. The County Board adopted the Executive Budget Recommendation for FY 2013 by a vote of 16-1 on November 9, 2012 with a series of amendments that, in aggregate, had an impact of reducing estimated revenues and expenditures by $1.7 million from the Executive Budget Recommendation for FY 2013 presented below.

Funds	Executive Budget Recommendation for FY 2013	2012 Appropriations
Corporate	$145,178,232	$ 163,018,988
Public Safety	1,186,335,048	894,133,047
Health	965,885,479	1,178,878,129
Election	19,712,485	41,606,648
Bond and Interest	187,384,752	193,532,419
Employees' Annuity and Benefit	192,969,505	196,139,483
Animal Control	3,411,065	3,161,093
Law Library	6,846,942	6,955,212
Clerk of the Circuit Court Automation	9,336,276	13,021,447
Clerk of the Circuit Court Document Storage	9,409,841	15,846,600
Clerk of the Circuit Court Dispute Resolution	280,000	400,000
Clerk of the Circuit Court Administrative Fund	631,571	889,018
Recorder's Document Storage	3,231,719	2,729,796
GIS Fee Fund	2,638,445	2,504,892
Rental Housing Support Fee	346,506	482,591
County Clerk Automation	1,398,057	1,297,273
Intergovernmental Agreement/E.T.S.B.	3,141,002	3,403,181
Suburban Cook County Tuberculosis Sanitarium	5,266,826	5,715,915
Dept. of Homeland Security and Emergency Mgmt	-	-
Adult Probation/Probation Services Fee	5,887,346	3,313,898
Social Services/Probation and Court Fee	3,190,049	2,749,049
Juvenile Probation – Supplementary Officers	4,484,285	6,768,931
Clerk of the Circuit Court Electronic Citation	450,000	600,000
Medical Examiner Fees Fund	-	725,000
Sheriff's Youthful Offender Alcohol/Drug Education	2,400	8,635
Treasurer Tax Sales Automation	9,749,966	8,913,040
Motor Fuel Tax Illinois First (1st)	21,960,729	21,946,330
CC Lead Poisoning Prevention	1,872,298	1,388,957
Geographical Information Systems – GIS	13,272,632	17,834,776
Environmental Management Fees Fund	-	40,000
State's Attorney Narcotics Forfeiture	4,117,230	3,384,472
State's Attorney Bad Check Diversion Program	200,000	70,000
Chief Judge Children's Waiting Room	1,934,515	3,206,879
Women's Justice Services Fund	55,000	30,000
Mental Health Special Revenue Fund	1,175,000	1,100,000
Peer Court Special Revenue Fund	1,130,000	30,000
Drug Court Special Revenue Fund	650,000	480,000
Vehicle Purchase Fund	200,000	200,000
Assessor Special Revenue Fund	750,000	1,237,508
State's Attorney Records Automation Fund	100,000	-
PD Records Automation Fund	100,000	-
Federal, State and Private Grants	134,433,126	148,928,355
Allowance for Uncollected Taxes	-	8,727,160
SUBTOTALS	$2,949,118,327	$2,955,398,722
Capital Improvements Program(1)	372,020,827	391,689,580
TOTALS	$3,321,139,154	$3,347,088,302

(1) This amount includes moneys allocated from Motor Fuel, Highway and Special Revenue Funds that are used to pay for specified capital projects.

Source: 2012 Annual Appropriation Bill and Executive Budget Recommendation for FY 2013.

The County of Cook
Summary of Appropriation by Major Purposes for Fiscal Year 2013

Funds	Expense(1)	Capital Outlay(2)	Debt Services(3)	Pension Fund(4)	Allowance for Uncollected Taxes	Total Appropriations
Corporate	$145,178,232	$-	$-	$-	$-	$145,178,232
Public Safety	1,186,335,048					1,186,335,048
Health	965,885,479					965,885,479
Election	19,548,135	164,350				19,712,485
Bond and Interest			187,384,752			187,384,752
Employees' Annuity and Benefit				192,969,505		192,969,505
Animal Control	3,411,065					3,411,065
Law Library	6,776,466	70,476				6,846,942
Clerk of the Circuit Court Automation	8,848,276	488,000				9,336,276
Clerk of the Circuit Court Document Storage	8,840,328	569,513				9,409,841
Clerk of the Circuit Court Dispute Resolution	280,000					280,000
Clerk of the Circuit Court Administrative Fund	631,571					631,571
Recorder's Document Storage	3,231,719					3,231,719
GIS Fee Fund	2,638,445					2,638,445
Rental Housing Support Fee	346,506					346,506
County Clerk Automation	1,398,057					1,398,057
Intergovernmental Agreement/E.T.S.B.	3,141,002					3,141,002
Suburban Cook County Tuberculosis Sanitarium	5,160,408	106,418				5,266,826
Dept. of Homeland Security and Emergency Mgmt	-					-
Adult Probation/Probation Services Fee	5,887,346					5,887,346
Social Services/Probation and Court Fee	3,190,049					3,190,049
Juvenile Probation – Supplementary Officers	4,345,785	138,500				4,484,285
Clerk of the Circuit Court Electronic Citation	450,000					450,000
Medical Examiner Fees Fund	-					-
Sheriff's Youthful Offender Alcohol/Drug Education	2,400					2,400
Treasurer Tax Sales Automation	9,481,417	268,549				9,749,966
Motor Fuel Tax Illinois First (1st)	21,960,729					21,960,729
CC Lead Poisoning Prevention	1,872,298					1,872,298
Geographical Information Systems – GIS	12,801,882	470,750				13,272,632
Environmental Management Fees Fund	-					-
State's Attorney Narcotics Forfeiture	4,117,230					4,117,230
State's Attorney Bad Check Diversion Program	200,000					200,000
Chief Judge Children's Waiting Room	1,934,515					1,934,515
Women's Justice Services Fund	55,000					55,000
Mental Health Special Revenue Fund	1,175,000					1,175,000
Peer Court Special Revenue Fund	1,130,000					1,130,000
Drug Court Special Revenue Fund	650,000					650,000
Vehicle Purchase Fund	-	200,000				200,000
Assessor Special Revenue Fund	750,000					750,000
State's Attorney Records Automation Fund	100,000					100,000
PD Records Automation Fund	100,000					100,000
Less Debt Restructuring	-					-
Federal, State and Private Grants	110,528,047	23,905,079				134,433,126
Allowance for Uncollected Taxes	-					-
Total Funds	$2,542,382,435	$26,381,635	$187,384,752	$192,969,505	$-	$2,949,118,327
Capital Improvements	-	372,020,827	-	-	-	372,020,827
Grand Total	$2,542,382,435	$398,402,462	$187,384,752	$192,969,505	$-	$3,321,139,154

(1) Expense includes appropriations for personal services, contractual services, supplies, materials, operation and maintenance, rental and leasing and contingency and special purposes.
(2) Capital Outlay includes appropriations for expenditures for purchase of new and replacement equipment, permanent improvements including rehabilitation and replacement, purchase of land and expenditures incidental to the acquisition of land.
(3) Debt Service includes appropriations for redemption of debt and interest on debt, and for required reserves, and County bond and interest projected for 2013.
(4) Pension Funds Appropriations represents the gross amounts of general property taxes to be levied for the County's contribution to the pension funds without any deduction for loss in the collection of taxes.
Source: Executive Budget Recommendation for FY 2013.

The County of Cook

Summary of Appropriations by Major Purposes for Fiscal Year 2012

Funds	Expense(1)	Capital Outlay(2)	Debt Services(3)	Pension Fund(4)	Allowance for Uncollected Taxes	Total Appropriations
Corporate	$162,566,780	$452,208	$ 0	$ 0	$ 0	$ 163,018,988
Public Safety	1,178,878,129					1,178,878,129
Health and Hospitals System	894,133,047					894,133,047
Election	41,536,648	70,000				41,606,648
Bond and Interest			193,532,419			193,532,419
Employee's Annuity and Benefit				196,139,483		196,139,483
Animal Control	3,121,093	40,000				3,161,093
Law Library	6,884,736	70,476				6,955,212
Circuit Court Automation	13,021,447					13,021,447
Circuit Court Document Storage	15,771,340	75,260				15,846,600
Circuit Court Dispute Resolution	400,000					400,000
Circuit Court Administrative	889,018					889,018
Circuit Court Electronic Citation	600,000					600,000
Recorder's Document Storage	2,729,796					2,729,796
Recorder's GIS Fee Fund	2,504,892					2,504,892
Recorder's Rental Housing Support Fee	482,591					482,591
County Clerk Automation	1,297,273					1,297,273
Intergovernmental Agreement/E.T.S.B	3,403,181					3,403,181
Adult Probation/Probation Services Fee	3,313,898					3,313,898
Social Services/Probation and Court Fee	2,749,049					2,749,049
CC Lead Poisoning Prevention	1,388,957					1,388,957
Suburban CC TB Sanitarium District	5,577,415	138,500				5,715,915
Juvenile Probation Supplementary Officer's	6,768,931					6,768,931
Treasurer Tax Sales Automation	8,503,373	409,667				8,913,040
Motor Fuel Tax Illinois First (1st)	21,946,330					21,946,330
Geographical Information Systems (GIS)	13,353,822	4,480,954				17,834,776
State's Atty Bad Check Diversion	70,000					70,000
State's Atty Narcotics Forfeiture	3,384,472					3,384,472
Sheriff's Youthful Offender Alcohol	8,635					8,635
Chief Judge Children's Waiting Room	3,206,879					3,206,879
Chief Judge Mental Health Fund	1,100,000					1,100,000
Chief Judge Drug Court Fund	480,000					480,000
Chief Judge Peer Court Fund	30,000					30,000
Sheriff Women's Justice Services	30,000					30,000
Vehicle Purchase Fund	0	200,000				200,000
County Environmental Management	40,000					40,000
Medical Examiner Fees fund	725,000					725,000
Assessor Special Revenue Fund	1,237,508					1,237,508
Federal, State and Private Grants	132,929,317	15,999,038				148,928,355
Allowance for Uncollected Taxes					8,727,160	8,727,160
Total Funds	2,535,063,557	21,936,103	193,532,419	196,139,483	8,727,160	2,955,398,722
Capital Improvements	0	391,689,580	0	0	0	391,689,580
Grand Total	$2,535,063,557	$413,625,683	$193,532,419	$196,139,483	$8,727,160	$3,347,088,302

(1) Expense includes appropriations for personal services, contractual services, supplies, materials, operation and maintenance, rental and leasing and contingency and special purposes.
(2) Capital Outlay includes appropriations for expenditures for purchase of new and replacement equipment, permanent improvements including rehabilitation and replacement, purchase of land and expenditures incidental to the acquisition of land.
(3) Debt Service includes appropriations for redemption of debt and interest on debt, and for required reserves, and County bond and interest projected for 2012.
(4) Pension Funds Appropriations represents the gross amounts of general property taxes to be levied for the County's contribution to the pension funds without any deduction for loss in the collection of taxes.
Source: 2012 Annual Appropriation Bill.

The County of Cook, Illinois
Summary of Estimated Revenues by Major Purposes for Fiscal Year 2013

Funds	Property Tax Levy(1)	Home Rule Taxes(2)	Fees(3)	Inter-Governmental(4)	Other Revenues(5)	Total Revenue
2013 Corporate Revenue	$ 7,687,629	$ 1,500,000	$ 128,958,000	$ 3,599,766	$ 3,432,837	$145,178,232
2013 Public Safety Revenue	267,557,485	617,710,739	140,851,500	131,313,834	28,901,490	1,186,335,048
2013 Health & Hospitals Revenue	80,675,066	171,095,929	710,120,442	2,000,000	1,994,042	965,885,479
2013 Election Revenue	19,712,485					19,712,485
Bond and Interest	187,384,752					187,384,752
Employee's Annuity and Benefit	150,934,402			42,035,103		192,969,505
Animal Control			3,411,065			3,411,065
Law Library			6,846,942			6,846,942
Circuit Court Automation			9,336,276			9,336,276
Circuit Court Document Storage			9,409,841			9,409,841
Circuit Court Dispute Resolution			280,000			280,000
Circuit Court Administrative			631,571			631,571
Circuit Court Electronic Citation			450,000			450,000
Recorder's Document Storage			3,231,719			3,231,719
Recorder's GIS Fee Fund			2,638,445			2,638,445
Recorder's Rental Housing Support Fee			346,506			346,506
County Clerk Automation			1,398,057			1,398,057
Intergovernmental Agreement/E.T.S.B				3,141,002		3,141,002
Adult Probation/Probation Services Fee			5,887,346			5,887,346
Social Services/Probation and Court Fee			3,190,049			3,190,049
CC Lead Poisoning Prevention				1,872,298		1,872,298
Suburban CC TB Sanitarium District				5,266,826		5,266,826
Juvenile Probation Supplementary Officer's				4,484,285		4,484,285
Treasurer Tax Sales Automation			9,749,966			9,749,966
Motor Fuel Tax Illinois First (Ist)				21,960,729		21,960,729
Geographical Information Systems (GIS)			13,272,632			13,272,632
State's Atty Bad Check Diversion				200,000		200,000
State's Atty Narcotics Forfeiture				4,117,230		4,117,230
Sheriff's Youthful Offender Alcohol				2,400		2,400
Chief Judge Children's Waiting Room			1,934,515			1,934,515
Chief Judge Mental Health Fund			1,175,000			1,175,000
Chief Judge Drug Court Fund			650,000			650,000
Chief Judge Peer Court Fund			1,130,000			1,130,000
Sheriff Women's Justice Services			55,000			55,000
Vehicle Purchase Fund					200,000	200,000
Assessor Special Revenue Fund			750,000			750,000
Public Defender Records Automation Fund			100,000			100,000
States Attorney Records Automation Fund			100,000			100,000
Federal, State and Private Grants				134,433,126		134,433,126
Capital Improvements					372,020,827	372,020,827
Projected - Total	$713,951,819	$790,306,668	$1,055,904,872	$354,426,599	$406,549,196	$3,321,139,154

(1) Property Tax Levy Includes Expiring TIF/Incentives & New Property Value Capture and excludes Allowance for Uncollected Taxes.
(2) Home Rule Taxes Includes Alcoholic Beverage Tax, Cigarette Tax, Gas/Diesel Fuel Tax, Wheel Tax, Retail Sale of Motor Vehicles, Cook County Sales Tax, Use Tax, Amusement Tax, County Parking Lot Garage and Operations Tax.
(3) Fees Includes Fees from County Offices, Patient Fees, IGT, DSH & Cable Television Franchise Tax.
(4) Intergovernmental Includes Motor Fuel Tax, Off-Track Betting Commissions, Personal Property Replacement Tax, Retailers' and Services Occupation Tax, State Income Derivative Share Grants and Reimbursements from Other Governments.
(5) Other includes Bond Proceeds (Capital Improvement) and Miscellaneous Revenues.

Source: Executive Budget Recommendation for FY 2013.

LITIGATION

The County, like other large units of state and local government, is involved in litigation on matters relating principally to claims arising from contracts, personal injury, property damage, tax claims and other matters. See "DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION – Self Insurance." However, there is no litigation pending, or, to the best of the County's knowledge, threatened, seeking to restrain, enjoin or adversely affect the issuance or delivery of the Bonds or in any way contesting the validity or enforceability of the Bonds or the collection, pledge or application of the County's full faith, credit and taxing power for their payment.

The County is a defendant in various pending and threatened individual and class action litigation relating principally to claims arising from contracts, personal injury, property damage, discrimination, civil rights actions and other matters. The County believes that the ultimate resolution of these matters will not have a material adverse effect on the financial position of the County.

RATINGS

Moody's Investors Service ("**Moody's**"), Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") and Fitch Ratings ("**Fitch**") have assigned their long-term ratings of Aa3, AA and AA-, respectively to the Bonds.

A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from the respective rating agencies at the following addresses: Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; Standard and Poor's, 55 Water Street, New York, New York 10041 or Fitch, One State Street Plaza, New York, New York 10004.

The County has furnished to the rating agencies certain information and materials relating to the Bonds and the County, including certain information and materials that have not been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and investigations, studies and assumptions by the respective rating agency. There is no assurance that any rating of the Bonds will continue for any given period of time, or that any rating of the Bonds will not be revised downward or withdrawn entirely by either such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Bonds.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

TAX MATTERS

Series 2012C Bonds

Federal tax law contains a number of requirements and restrictions which apply to the Series 2012C Bonds (the "**Tax-Exempt Bonds**"), including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The County has covenanted to comply with all requirements that must be satisfied in order for the interest on the Tax-Exempt Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Tax-Exempt Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Tax-Exempt Bonds.

Subject to the County's compliance with the above-referenced covenants, under present law, in the opinion of Co-Bond Counsel, interest on the Tax-Exempt Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but Co-Bond Counsel express no opinion as to whether interest on the Tax-Exempt Bonds is taken into account in computing adjusted current earnings, which are used in determining the federal alternative minimum tax for certain corporations.

In rendering their opinions, Co-Bond Counsel will rely upon certifications of the County with respect to certain material facts within the County's knowledge and upon the mathematical computation of the yield on the Tax-Exempt Bonds and the yield on certain investments by Robert L. Thomas CPA, LLC. Co-Bond Counsels' opinion represents their legal judgments based upon their review of the law and the facts that they deem relevant to render such opinions and are not guarantees of a result.

Ownership of the Tax-Exempt Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Tax-Exempt Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "**Issue Price**") for each maturity of the Tax-Exempt Bonds is the price at which a substantial amount of such maturity of the Tax-Exempt Bonds is first sold to the public. The Issue Price of a maturity of the Tax-Exempt Bonds may be different from the prices set forth, or the prices corresponding to the yields set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Tax-Exempt Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Tax-Exempt Bonds (the "**OID Bonds**") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the County complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but owners of OID Bonds should consult their own tax advisors as to whether such original issue discount is taken into account in computing adjusted current earnings, which are used in determining the alternative minimum tax for certain corporations; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Tax-Exempt Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Tax-Exempt Bonds in the initial public offering, but at a price different from the Issue Price or purchase Tax-Exempt Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "**Revised Issue Price**"), the purchaser will be treated as having purchased a Tax-Exempt Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Tax-Exempt Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Tax-Exempt Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Tax-Exempt Bonds.

An investor may purchase a Tax-Exempt Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Tax-Exempt Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Tax-Exempt Bond. Investors who purchase a Tax-Exempt Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Tax-Exempt Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Tax-Exempt Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Tax-Exempt Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Co-Bond Counsel express no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "**Service**") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Tax-Exempt Bonds. If an audit is commenced, under current procedures the Service may treat the County as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Tax-Exempt Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, obligations including tax-exempt obligations such as the Tax-Exempt Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Tax-Exempt Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Tax-Exempt Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest on the Tax-Exempt Bonds from gross income for federal tax purposes.

Taxable Series 2012D Bonds

Interest on the Taxable Series 2012D Bonds is includible in gross income for federal income purposes. Ownership of the Taxable Series 2012D Bonds may result in other federal income tax consequences to certain taxpayers. Taxable Series 2012D Bondholders should consult their tax advisors with respect to the inclusion of interest on the Taxable Series 2012D Bonds in gross income for federal income tax purposes and any collateral tax consequences.

State and Local Considerations

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Co-Bond Counsel express no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

CERTAIN VERIFICATIONS

Robert L. Thomas CPA, LLC (the "**Verifier**"), upon delivery of the Tax-Exempt Bonds, will deliver to the County, Co-Bond Counsel and the Underwriters a report stating that the firm, at the request of the County and the Underwriters, has reviewed the mathematical accuracy of certain computations based on certain assumptions relating to (i) the sufficiency of the principal and interest received from the investment in Governmental Obligations, together with any initial cash deposit, to meet the timely payment of the applicable principal or redemption price of and interest on the Refunded Bonds, as described under "PLAN OF FINANCE" and (ii) the actuarial yields on the issue of which the Tax-Exempt Bonds are a part and the Government Obligations, such computations with respect to such yields to be used to support the conclusion of Co-Bond Counsel that the Tax-Exempt Bonds are not "arbitrage bonds" under Section 148 of the Code. The Verifier will express no opinion on the attainability of any assumptions or the tax-exempt status of the Tax-Exempt Bonds.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the separate approving legal opinions of Chapman and Cutler LLP, Chicago, Illinois, and Pugh, Jones and Johnson, P.C., Chicago, Illinois, Co-Bond Counsel ("**Co-Bond Counsel**"), who have been retained by, and act as, Co-Bond Counsel to the County. The forms of such legal opinions are attached hereto as APPENDIX B. Co-Bond Counsel have not been retained or consulted on disclosure matters and have not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assume no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in their respective capacities as Co-Bond Counsel, Chapman and Cutler LLP and Pugh, Jones and Johnson, P.C. have, at the request of the County, reviewed only those portions of this Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), and the description of the federal tax status of interest on the Bonds. This review was undertaken solely at the request and for the benefit of the County and did not include any obligation to establish or confirm factual matters set forth herein. Certain legal matters will be passed upon for the Underwriters by SNR Denton US LLP, Chicago, Illinois, and Sanchez Daniels & Hoffman LLP, Chicago, Illinois, Co-Underwriters' Counsel. SNR Denton US LLP will also provide special advice to the County with respect to various pension disclosure matters.

FINANCIAL STATEMENTS

The financial statements of the County for the fiscal year ended November 30, 2011 are included as APPENDIX A to this Official Statement. These financial statements have been audited by McGladrey LLP, independent auditors, whose report contained an unqualified opinion thereon. That report contains an emphasis of matter paragraph which states "As discussed in Note IX, as of December 1, 2010, the County adopted the reporting and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, GASB Statement No. 61, The Financial Reporting Entity Omnibus - An Amendment of GASB Statements No. 14 and No. 34." McGladrey LLP has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. McGladrey LLP also has not performed any procedures relating to this Official Statement.

CO-FINANCIAL ADVISORS

The County has engaged The PFM Group, Chicago, Illinois, and Acacia Financial Group, Chicago, Illinois, as Co-Financial Advisors in connection with the authorization, issuance and sale of the Bonds.

UNDERWRITING

The Underwriters set forth on the cover page of this Official Statement have agreed to purchase the Series 2012C Bonds at the price of $457,713,932.59 (representing the principal amount of $380,530,000 less an Underwriters' discount of $1,946,560.81 and plus original issue premium of $79,130,493.40). The Underwriters have agreed to purchase the Taxable Series 2012D Bonds at a price of $29,290,265.05 (representing the principal amount of $29,410,000 less an Underwriters' discount of $119,734.95). The Underwriters reserve the right to join with dealers and other underwriters in offering the Bonds to the public. The obligations of the Underwriters to accept delivery of the Bonds are subject to various conditions of the Bond Purchase Agreement with respect to the Bonds, but the Underwriters are obligated to purchase all of the Bonds if they purchase any of the Bonds.

One or more of the Underwriters of the Bonds may have entered into agreements (the "**Distribution Agreements**") with certain financial institutions for the retail distribution of certain municipal securities offerings at the original issue prices. Pursuant to the Distribution Agreements (if applicable for this transaction), the Underwriters may share a portion of their underwriting compensation with respect to the Bonds with such financial institutions.

Citigroup Inc. and Morgan Stanley, the respective parent companies of Citigroup Global Markets Inc. and Morgan Stanley & Co. LLC, each an underwriter of the 2012 Bonds, have entered into a retail brokerage join venture. As part of the joint venture, each of Citigroup Global Markets Inc. and Morgan Stanley & Co. LLC will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, each of Citigroup Global Markets Inc. and Morgan Stanley & Co. LLC will compensate Morgan Stanley Smith Barney LLC for its selling efforts in connection with their respective allocations of 2012 Bonds.

Loop Capital Markets LLC, one of the Underwriters of the Bonds, has entered into an agreement (the "**Distribution Agreement**") with UBS Financial Services Inc. for the retail distribution of certain municipal securities offerings at the original issue prices. Pursuant to the Distribution Agreement, Loop Capital Markets LLC will share a portion of its underwriting compensation with respect to the Bonds with UBS Financial Services Inc.

The Underwriters affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the County for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the County.

SECONDARY MARKET DISCLOSURE

The County will enter into a Continuing Disclosure Undertaking (the "**Undertaking**") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "**MSRB**") through its Electronic Municipal Market Access system for municipal securities disclosure on through another electronic format or system ("**EMMA**") prescribed by the MSRB for purposes of Section (b)(5) of Rule 15c2-12 (the "**Rule**") adopted by the Securities and Exchange Commission (the "**SEC**") under the Securities Exchange Act of 1934, as amended (the "**1934 Act**"). The information to be provided on an annual basis, the events that will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below.

The following is a brief summary of certain provisions of the Undertaking and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the County.

Annual Financial Information Disclosure

The County covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (as described below) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the SEC at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The County is required to file such information by the dates specified in the Undertaking. To the extent that Annual Financial Information is included in the County's Audited Financial Statements, it need not be separately delivered. The County has complied with all previous continuing disclosure undertakings executed by it pursuant to the Rule.

"***Annual Financial Information***" means information generally consistent with that contained under the caption "TAXATION OF REAL PROPERTY – STATISTICAL INFORMATION" and "DEBT INFORMATION" and Tables 1-8 under the caption "COUNTY EMPLOYEES' AND OFFICERS' ANNUITY BENEFIT FUND OF COOK COUNTY" (collectively referred to as the "Third-Party Sourced Pension Tables"). The information contained in the Third-Party Sourced Pension Tables is sourced from documents published by the County Employees and Officers' Annuity Benefit Fund, and the County takes no responsibility for the accuracy and completeness of such information. If the information contained in the Third-Party Sourced Pension Tables is no longer publicly available or is not publicly available in the form, manner or time that the Annual Financial Information is required to be disseminated by the County, the County shall, as part of its Annual Financial Information for the year in which such a lack of availability arises, include a statement to that effect and to the effect that it will promptly file such information as it becomes available.

“***Audited Financial Statements***” means the audited basic financial statements of the County prepared in accordance with generally accepted accounting principles applicable to governmental units as in effect from time to time.

The Annual Financial Information is required to be disseminated to EMMA within 300 days after the last day of the County’s fiscal year, which is currently November 30. The Audited Financial Statements are expected to be filed at the same time as the Annual Financial Information, provided that if the Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and the Audited Financial Statements will be filed with EMMA within 30 days after they become available.

Events Notification; Event Disclosure

The County covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the reportable event) to EMMA, in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the SEC at the time of delivery of such information, the disclosure of the occurrence of an Event (as described below). The “**Events**” are:

a) principal and interest payment delinquencies;
b) non-payment related defaults, if material;
c) unscheduled draws on debt service reserves reflecting financial difficulties;
d) unscheduled draws on credit enhancements reflecting financial difficulties;
e) substitution of credit or liquidity providers, or their failure to perform;
f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
g) modifications to rights of holders of the Bonds, if material;
h) bond calls, if material, and tender offers (other than scheduled mandatory redemptions);
i) defeasances;
j) release, substitution or sale of property securing repayment of the Bonds, if material;
k) rating changes;
l) bankruptcy, insolvency, receivership or similar event of the County;
m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Consequences of Failure of the County to Provide Information

The County shall give notice in a timely manner to EMMA of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the County to comply with any provision of the Undertaking, the beneficial owner of each Bond may seek mandamus or specific performance by court order, to cause the County to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bonds or the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the County to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the County may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) the amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the County or type of business conducted;

(b) the Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by a party unaffiliated with the County (such as Co-Bond Counsel) at the time of the amendment or waiver.

Termination of Undertaking

The Undertaking shall be terminated if the County shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance. If this provision is applicable, the County shall give notice in a timely manner to EMMA.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable event, in addition to that which is required by the Undertaking. If the County chooses to include any information from any document or notice of occurrence of a reportable event in addition to that which is specifically required by the Undertaking, the County shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a reportable event. Additional financial information related to the County is also available on the Cook County Investor Relations Homepage at http://buycook.county bonds.com.

CONCLUSION

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment or purchase of the Bonds and the rights and obligations of the registered owners thereof.

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered owners of the Bonds.

CERTIFICATION AS TO OFFICIAL STATEMENT

At the time of redelivery of the Bonds, the County will furnish a certificate executed by the Chief Financial Officer stating that to the best of his knowledge, after reasonable investigation, this Official Statement did not (as of its date) and does not (at the date of delivery of the Bonds) contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements in it, in the light of the circumstances under which they were made, not misleading.

This Official Statement has been duly executed and delivered by the following officer on behalf of the County.

THE COUNTY OF COOK, ILLINOIS

By:/s/ Tariq Malhance
Chief Financial Officer

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APPENDIX A

Audited Basic Financial Statements For The Fiscal Year Ended November 30, 2011

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Cook County, Illinois

Basic Financial Statements,
Required Supplementary Information
and Independent Auditor's Report

As of and for the Fiscal Year Ended
November 30, 2011

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COOK COUNTY, ILLINOIS

For the Year Ended November 30, 2011

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FINANCIAL SECTION

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McGladrey

Independent Auditor's Report

The Honorable Toni Preckwinkle, County Board President
and Members of the County Board of Commissioners
Cook County, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cook County, Illinois (County), as of and for the year ended November 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units (the Forest Preserve District of Cook County and the Emergency Telephone System). We also did not audit the financial statements of the County Pension Trust Fund, the County Postemployment Healthcare Trust Fund and the Clerk of the Circuit Court Agency Fund which represent 93 percent, and 62 percent, respectively, of the assets, and revenues/additions of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, the Pension Trust Fund, the Postemployment Healthcare Trust Fund and the Clerk of the Circuit Court Agency Fund, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cook County, Illinois, as of November 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note IX, as of December 1, 2010, the County adopted the reporting and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and GASB .Statement No. 61, *The Financial Reporting Entity Omnibus – An Amendment of GASB Statements No 14 and No. 34*.

Member of the RSM International network of independent accounting, tax and consulting firms.

The Management Discussion and Analysis and Schedules of Funding Progress are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

McGladrey LLP

Chicago, Illinois
May 31, 2012

MANAGEMENT'S DISCUSSION
&
ANALYSIS

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Cook County, Illinois
Management Discussion and Analysis (MD&A)
(Unaudited)

As management of Cook County, Illinois (the "County"), we offer the readers of the Management Discussion and Analysis (the "MD&A") section of the County's Comprehensive Annual Financial Report (the "CAFR") a narrative overview and analysis of the financial activities of the County for the fiscal year ended November 30, 2011. The reader is encouraged to consider the information presented here in conjunction with the basic financial statements and the accompanying notes, which follow this section.
Due to the implementation of GASB Statement No. 61 in fiscal year (FY) 2011, as described in Note IX to the basic financial statements, FY 2010 numbers within the MD&A have been restated to reflect balances as if GASB No. 61 were implemented in FY 2010.

Financial Highlights for FY2011

- On November 17, 2009, the County Board called a special meeting and passed an ordinance amendment partially rolling back the Home Rule County Retailer's Occupation Tax Law from 1.75 percent to 1.25 percent. This ordinance took effect on July 1, 2010 and resulted in a decrease in revenue of $32.7 million in fiscal year 2010 and resulted in the annual decrease in revenue of $150.6 million in 2011.

- On February 25, 2011, the County Board called a special meeting and passed an ordinance amendment to completely roll back the Home Rule County Retailer's Occupation Tax Law from 1.25 percent to .75 percent. This ordinance takes effect on two different days, first will be a .25 reduction on January 1, 2012 and will result in an estimated decrease in revenue of $54.8 million in FY2012. The second reduction will be the final .25 percent on January 1, 2013. This will complete the reduction in the Home Rule County Retailer's Occupation Tax Law from 1.75 percent to .75 percent.

- Closed a budget gap of approximately $487 million for FY 2011. Budget reductions occurred in the final quarter of FY 2011. This budget gap amount equated to an operational reduction of 21 percent or 16 percent annualized. Structural changes expected to yield $195 million of savings, achieved through several actions, including 16% cuts to departments supported by the general fund, with some departments who cut more than 16%.

- $84 million in revenue initiatives, calling for more aggressive efforts in collecting late and unpaid taxes such as cigarette taxes, foreclosure fees, and fee increases, as well as making luxury boxes at sporting events subject to amusement tax.

- $32 million from strategic initiatives such as the reassignment of responsibilities for County employees to reduce unnecessary administrative costs.

- The transition of Oak Forest Hospital to the Regional Health Center at Oak Forest allows the facility to expand the services it offers and add primary care doctors to better serve the people of the south suburbs. The savings impact for the transition is $25 million.

- At November 30, 2011, the liabilities of the County exceeded its assets by $2,385.3 million (51.1%). The County reported $1,396.4 million in restricted net assets and $261.9 million in "invested in capital assets, net of related debt". The $261.9 million is the County's capital assets in excess of the capital debt for the County as a whole.

- The County's total net assets decreased by $549.2 million (29.9%) during fiscal year 2011. Net assets of governmental activities decreased $447.5 million (17.5%) in fiscal year 2011 to a deficit of $3,010.7 million.

- Total fiscal year 2011 expenses for governmental activities were $2.382 billion, which represents a decrease of $86.3 million (3.5%) over fiscal year 2010 expenses for governmental activities of $2.468 billion.

- At the end of the 2011 fiscal year, the County's governmental funds reported combined fund balances of $1.212 billion, an increase of approximately $252.2 million (26.0%) in comparison with the prior year of $0.960 billion, primarily due to an increase in grant revenue and the issuance of corporate purpose bonds.

- On October 27, 2011, the County issued General Obligation Refunding Bonds, Series 2011A ("Series 2011A") in the amount of $252,200,000, Taxable General Obligation Refunding Bonds, Series 2011B ("Series 2011B") in the amount of $130,020,000, Taxable General Obligation Bonds, Series 2011C ("Series 2011C") in the amount of $125,000,000, and Taxable General Obligation Corporate Purpose Notes, Series 2011D ("Series 2011D") in the amount of $105,200,000.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The reporting model focuses attention on the County as a whole (government-wide) and on major individual funds. Both perspectives are presented to enable the reader to address relevant questions, broaden the basis of comparison and enhance the County's accountability.

Cook County's basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains other required supplementary information and unaudited statistical data in addition to the basic financial statements.

Organization of the Cook County, Illinois

Comprehensive Annual Financial Report

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Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, in a manner similar to private sector businesses.

The **Statement of Net Assets** presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets, over time, may serve as a benchmark as to the improvement or deterioration in the County's financial position. Additionally, non-financial factors, such as changes in the County's property tax base or the condition of County facilities, should be considered to assess the overall financial health of the County.

The **Statement of Activities** presents information on how the County's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years, such as revenue pertaining to uncollected taxes and expenses relating to earned, but not used, vacation, sick leave and pension obligations.

The government-wide financial statements report the following different types of programs or activities:

- Governmental Activities – The majority of County services are reported under this category. Governmental activities of the County include public safety responsibilities through the operation of the second largest unified court system in the nation and the operation of the largest single site jail complex in the United States. Also included in governmental activities are corporate functions that include the design, operation and maintenance of a highway system; control of the environment; the assessment, levy, collection and distribution of property taxes; and general administration and finance. The major revenue sources of these activities are property taxes and other non-property taxes. Governmental activities include the primary government composed of the County itself.

- Business-type Activities – The business-type, or enterprise, activities of the County include the operation of the CCHHS. The CCHHS consist of the following entities: John H. Stroger, Jr. Hospital of Cook County, Oak Forest Health Center, Provident Hospital of Cook County, Cermak Health Services, the Department of Public Health, the Ambulatory and Community Health Network of Cook County and the Bureau of Health Services. As an enterprise activity, the intent of these entities is to provide primary, intermediate, acute, and tertiary medical care to patients, without regard to their ability to pay. The CCHHS Board oversees the operational, planning, and policy activities of the CCHHS.

Discretely Presented Component Units – Component units are entities for which the County is financially accountable. The two discretely presented entities, because of their financial relationship with the County, are the Forest Preserve District of Cook County (the "District") and the Emergency Telephone System, which provides Emergency 911 services primarily in unincorporated areas of the County.

Fund Financial Statements

The fund financial statements are designed to report groupings of related accounts which are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with budgetary and other financial-related legal requirements. All of the funds of the County can be divided into the following categories: **governmental** funds, **proprietary** fund and **fiduciary** funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, i.e. most of the County's basic services are reported in the governmental funds. These statements focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near term to finance the County's various programs.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains several individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund which is considered to be a major fund. The General Fund includes the following five accounts: Corporate Account, Public Safety Account, Self-Insurance Account, Capital Litigation Account and the Emergency Management Agency Account. The other major governmental funds such as the Debt Service Fund, Motor Fuel Fund, Annuity and Benefit Fund and Capital Project Fund data are individually presented. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of supplemental combining and individual statements within this report.

Proprietary funds. Proprietary funds are generally used to account for services for which the County charges a fee for services provided. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses one enterprise fund to account for the operations of its various healthcare activities. The proprietary fund financial statements provide information for the CCHHS.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the primary government. The County is the trustee, or fiduciary, for its employees' pension plans. These funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the County's programs. The County also uses fiduciary funds to account for transactions for assets held by the County as agent for various entities. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Pension Trust Funds, Postretirement Healthcare and Agency funds are reported in this fund category using the accrual basis of accounting. These funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to provide a full understanding of the data presented in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, the required supplementary information section presents certain required supplementary information concerning pension trust funds and postretirement healthcare trust funds and the County's progress in funding its obligation to provide pension and postretirement healthcare benefits to employees.

Government-wide Financial Analysis

Net Assets

The County has presented its financial statements under GAAP and two years of comparative financial information in the Governmental Accounting Standards Board ("GASB") Statement No. 34 format presented below.

As noted earlier, over time net assets may serve as a useful indicator of a government's financial position. In the case of the County, liabilities exceeded assets by $2,385.3 million as of November 30, 2011.

Cook County, Illinois
Summary Statement of Net Assets
Year end November 30
(in millions)

	Governmental Activities		Business-type Activities		Adjustments		Total	
	2011	2010 (as restated)*	2011	2010	2011	2010	2011	2010 (as restated)*
Current and other assets	$ 2,151.5	$ 1,933.4	$ 379.8	$ 455.3	$ -	$ -	$ 2,531.3	$ 2,388.7
Capital assets	1,678.9	1,670.4	456.2	473.4	-	-	2,135.1	2,143.8
Total assets	3,830.4	3,603.8	836.0	928.7	-	-	4,666.4	4,532.5
Current and other liabilities	278.7	290.0	158.0	151.6	-	-	436.7	441.6
Long-term liabilities	6,562.4	5,877.0	52.6	50.0	-	-	6,615.0	5,927.0
Total liabilities	6,841.1	6,167.0	210.6	201.6	-	-	7,051.7	6,368.6
Net assets:								
Invested in capital assets, net of related debt	705.7	766.3	456.2	473.4	(900.0)	(884.1)	261.9	355.6
Restricted net assets	1,395.3	1,266.6	1.1	6.5	-	-	1,396.4	1,273.1
Unrestricted net assets (deficit)	(5,111.7)	(4,596.1)	168.1	247.2	900.0	884.1	(4,043.6)	(3,464.8)
Total net assets (deficit)	$(3,010.7)	$(2,563.2)	$ 625.4	$ 727.1	$ -	$ -	$(2,385.3)	$ (1,836.1)

** Due to the implementation of GASB 61, the beginning Net Asset Balance was restated. See Note IX to the Financial Statements.*

The County's total net assets consist of the following three components:

<u>Invested in Capital Assets, Net of Related Debt</u>

The County's investment in capital assets, net of related debt of $261.9 million represents its investment in capital assets at depreciated cost (e.g. land, buildings and improvements, infrastructure, and equipment) less any related debt used to acquire those assets that is still outstanding. This number decreased by $93.9 million primarily due to depreciation of $140.5 million, offset by certain purchased and contributed new assets that were not financed by G.O. debt. The County uses these capital assets to provide services to citizens. The County's governmental activities fund all construction in progress (CIP) including a portion upon completion that is transferred to the CCHHS (Business-type activities) as capital assets. The associated debt to fund the capital assets is not transferred to CCHHS as it is general obligation debt that remains in governmental activities. Monies used to construct capital assets of the health facilities are obtained from general obligation bonds financed by the governmental funds of the County. Accordingly, the long-term debt is shown in the Government Activities and the corresponding capital assets are shown in the Business-type Activities. An adjustment column is included to properly report the County's investment in capital assets, net of related debt, at the total level for the primary government. As the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted Net Assets

Net asset restrictions are primarily due to external restrictions imposed by legislation, grantors and bond covenants. The County has a balance of $1,396.4 million restricted for various specific purposes. Restricted net assets increased $123.3 million (10%) over the prior year due mainly to the timing of various grant related program expenses.

Unrestricted Net Assets (Deficit)

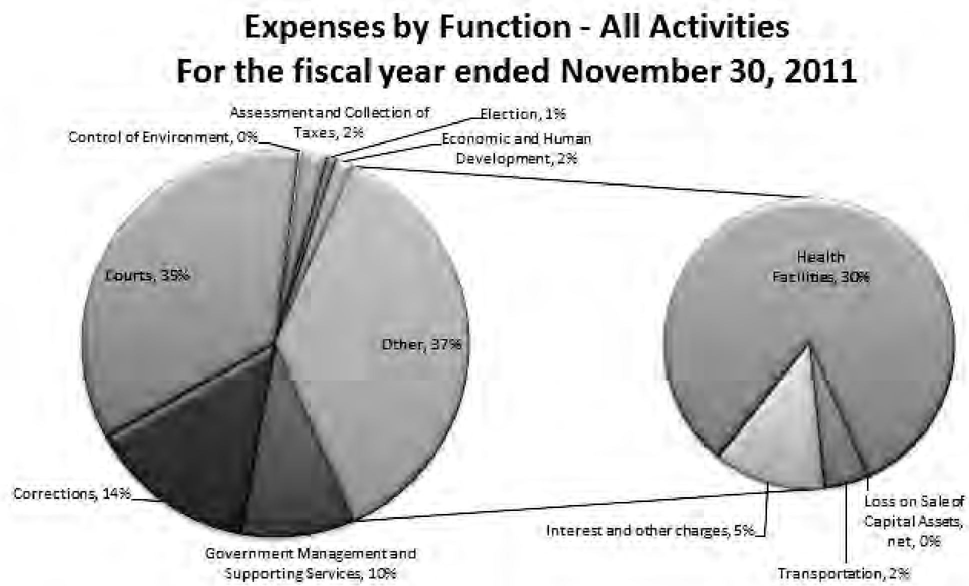
Unrestricted net assets show a $4,043.6 million deficit at the end of the fiscal year. It should be noted that the deficit in unrestricted net assets does not mean that the County does not have the resources available to pay its bills or other short-term liabilities.

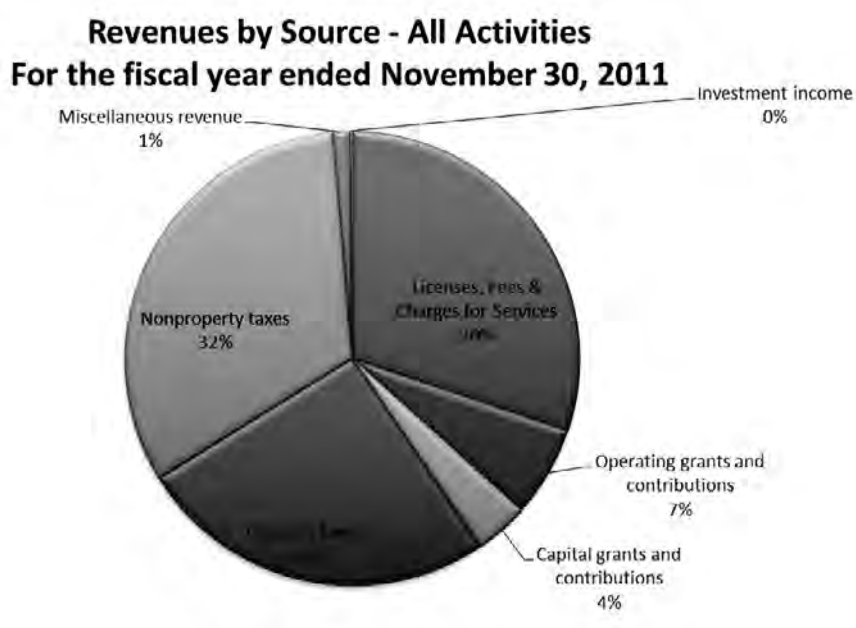
The following schedule compares the revenues, expenses, and changes in net assets for the governmental and business-type activities:

Cook County, Illinois
Revenues, Expenses and Changes in Net Assets
For the fiscal year ending November 30
(in millions)

	Governmental Activities 2011	Governmental Activities 2010 (as restated*)	Business-type Activities 2011	Business-type Activities 2010	Total 2011	Total 2010 (as restated*)
Program Revenues:						
Licenses, Fees & Charges for Services	$ 328.2	$ 353.2	$ 534.6	$ 545.8	$ 862.8	$ 899.0
Operating Grants and Contributions	162.7	135.2	22.8	35.7	185.5	170.9
Capital Grants and Contributions	111.0	11.6	-	-	111.0	11.6
Total Program Revenues:	**601.9**	**500.0**	**557.4**	**581.5**	**1,159.3**	**1,081.5**
Tax Revenues:						
Property Taxes	620.8	563.0	114.2	130.9	735.0	693.9
Personal Property Replacement Tax	48.6	45.4	-	-	48.6	45.4
County Sales Tax	383.6	402.4	122.2	231.8	505.8	634.2
County Use Tax	39.0	35.9	-	-	39.0	35.9
State Income Tax	9.9	9.3	-	-	9.9	9.3
Alcoholic Beverage Tax	25.7	25.2	-	-	25.7	25.2
Gasoline Tax	85.5	93.5	-	-	85.5	93.5
Cigarette Tax	102.6	107.0	20.6	23.9	123.2	130.9
Amusement Tax	27.7	22.7	-	-	27.7	22.7
Parking Lot & Garage Operations Tax	35.5	34.9	-	-	35.5	34.9
Road Taxes	8.5	104.6	-	-	8.5	104.6
Other Non-property Taxes	20.1	16.6	-	-	20.1	16.6
Total Tax Revenues:	**1,407.5**	**1,460.5**	**257.0**	**386.6**	**1,664.5**	**1,847.1**
Other General Revenues:						
Miscellaneous Revenue	35.1	18.8	-	-	35.1	18.8
Investment Income	3.9	0.5	-	-	3.9	0.5
Gain (loss) on sale of capital assets	-	(0.1)	-	-	-	(0.1)
Total Other General Revenues:	**39.0**	**19.2**	**-**	**-**	**39.0**	**19.2**
Total Revenues:	**2,048.4**	**1,979.7**	**814.4**	**968.1**	**2,862.8**	**2,947.8**
Expenses:						
Government management and supporting services	325.6	402.8	-	-	325.6	402.8
Corrections	479.4	507.9	-	-	479.4	507.9
Courts	1,198.5	1,124.3	-	-	1,198.5	1,124.3
Control of environment	7.3	9.6	-	-	7.3	9.6
Assessment and collection of taxes	73.6	80.1	-	-	73.6	80.1
Elections	26.4	59.8	-	-	26.4	59.8
Economic and human development	53.0	56.8	-	-	53.0	56.8
Transportation	63.0	76.4	-	-	63.0	76.4
Interest and other charges	155.3	150.7	-	-	155.3	150.7
Cook County Health and Hospitals System	-	-	1,029.9	1,058.6	1,029.9	1,058.6
Total Expenses:	**2,382.1**	**2,468.4**	**1,029.9**	**1,058.6**	**3,412.0**	**3,527.0**
Decrease in net assets before transfers	**(333.7)**	**(488.7)**	**(215.5)**	**(90.5)**	**(549.2)**	**(579.2)**
Transfers - Capital	**(16.7)**	**(11.2)**	**16.7**	**11.2**	**-**	-
Transfers -Cash	**(97.1)**	**(60.1)**	**97.1**	**60.1**	**-**	-
Decrease in net assets	**(447.5)**	**(560.0)**	**(101.7)**	**(19.2)**	**(549.2)**	**(579.2)**
Net assets (deficit) - beginning (as restated*)	**(2,563.2)**	**(2,003.2)**	**727.1**	**746.3**	**(1,836.1)**	**(1,256.9)**
Net assets (deficit) - ending	**$ (3,010.7)**	**$ (2,563.2)**	**$ 625.4**	**$ 727.1**	**$ (2,385.3)**	**$ (1,836.1)**

** Due to the implementation of GASB 61, the beginning Net Asset Balance was restated. See Note IX to the Financial Statements.*

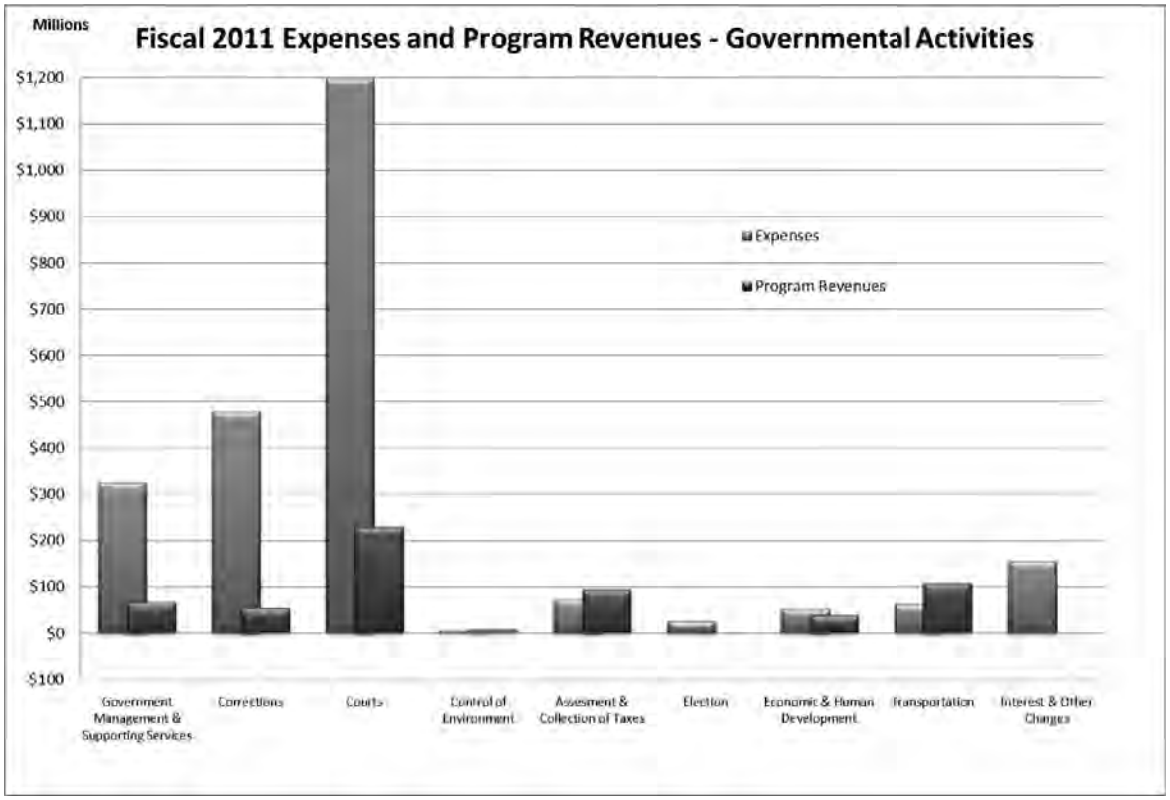




Governmental Activities

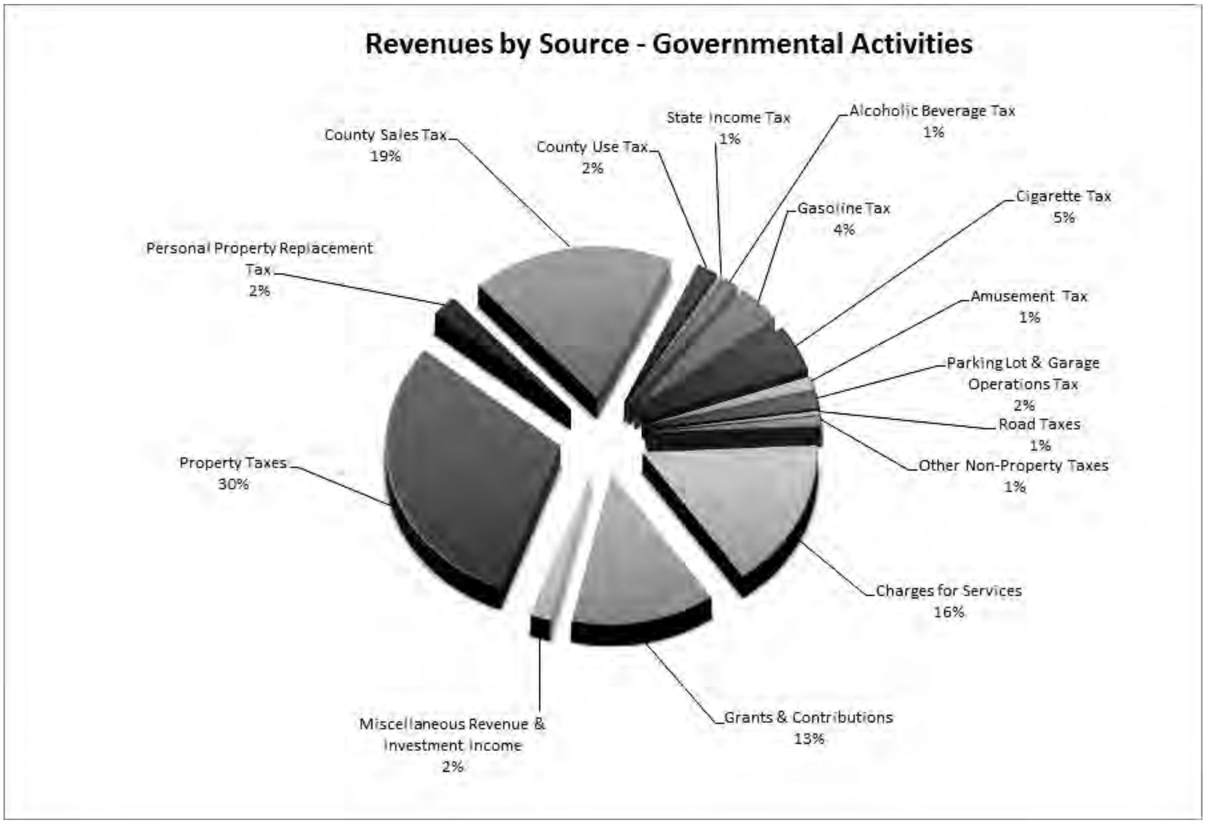
The net assets of governmental activities were a negative $2,563.2 million at the beginning of the 2011 fiscal year, which were restated due to implementation of GASB 61 (See Note IX to the financial statements). Net assets of governmental activities decreased $447.5 million (17.5 %) in fiscal year 2011 to a negative $3,010.7 million.

The following chart presents program revenues and expenses for governmental activities for the fiscal year ended November 30, 2011:



Program revenues are derived from the program itself and reduce the costs of operating this particular function to the County. In fiscal 2011, total program revenues of the County for governmental activities amounted to $601.9 million, an increase of $101.9 million (20.4%) from fiscal year 2010 program revenues of $500.0 million. The largest portion of program revenues was charges for services of $328.2 million (54.5%), which primarily consisted of fees and fines from court operations and penalties on real estate taxes. The other portions of program revenues were operating grants and contributions of $162.7 million (27.0%) and capital grants and contributions of $111.0 million (18.5%) received from various federal and state agencies, including donated capital assets. For fiscal year 2010, charges for services were $353.2 million (70.7%), which primarily consisted of fees and fines from court operations and real estate title transfer fees. The other portions of program revenues were operating grants and contributions of $135.2 million (27.0%) and capital grants and contributions of $11.6 million (2.3%) received from various federal and state agencies.

The following chart presents revenues by source for governmental activities for the fiscal year ended November 30, 2011:

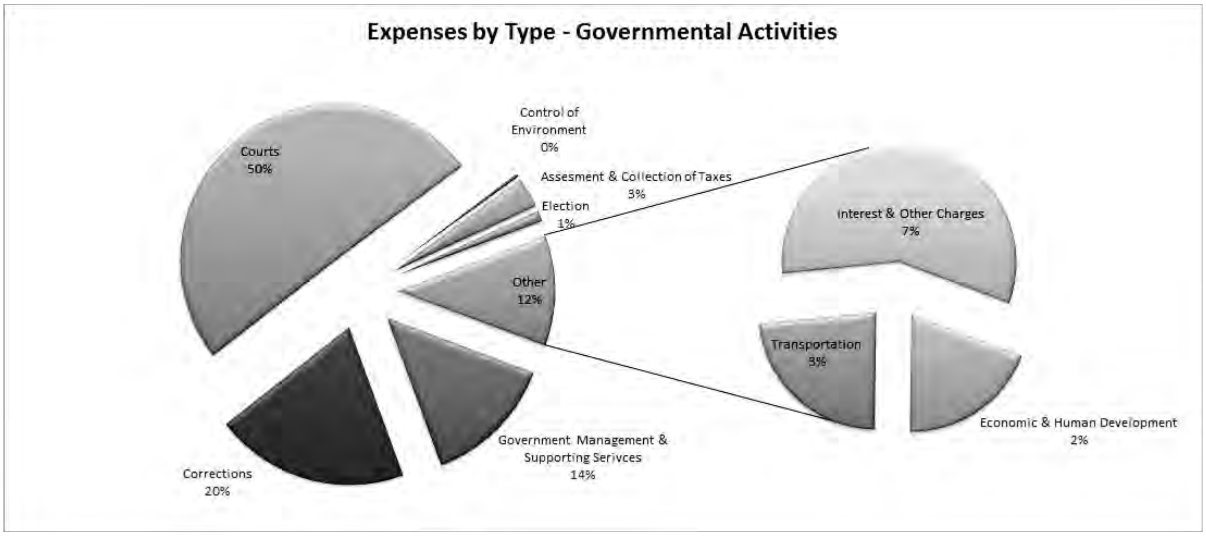


Property taxes, the County's largest general revenue source, were $57.8 million (10.3%) higher than the previous fiscal year due to the earlier due date of the second installment of tax bills compared to the prior year. The County's property tax rate for fiscal year 2010 was 0.423 per $100 of equalized assessed valuation. The net property tax levy was held constant at $720.5 million since 1996. Property tax rate and equalized assessed valuation for 2011 is currently unavailable.

Sales tax, the County's second largest tax revenue source, was $18.8 million (4.7%) lower than the previous year, decreasing from $402.4 million in 2010 to $383.6 million in 2011. The reduction was attributable, in part, to a full year of sales tax reduction of a half of 1%, offset by stronger sales across the County.

Program revenues recognized from licenses and fees decreased by $25.0 million (7.1%) from $353.2 million in 2010 to $328.2 million in 2011. The decrease was primarily due to a reduction in collection of circuit court fees and penalties on late payment of real estate taxes. Capital grants and contributions increased 856.9% to $111.0 million due to reclassification of Motor Fuel taxes (MFT), which were previously reported as general revenues. MFT allotments are provided by the State and restricted to road improvements and construction activities. Operating grants and contributions increased 20.3% to $162.7 million due to an increase in federally funded grant programs.

The following chart presents expenses by type for governmental activities for the fiscal year ended November 30, 2011:



Total fiscal year 2011 expenses for governmental activities were $2.382 billion, which represent a decrease of $0.086 billion (3.5%) over fiscal year 2010 governmental activities of $2.468 billion.

As in previous years, the largest portion of these expenses was used to fulfill the County's public safety responsibilities, which include the operation of the court system (50.3%), and corrections (20.1%). The Courts expenses increased $74.2 million while the Corrections expenses decreased $28.5 million over the previous year. Government management and supporting services decreased $77.2 million (19.2%) over the previous year. The increase in Courts is due to a significant increase in workers' compensation and liability claim settlements. The decreases in the other functions were a result of the planning operating cost reductions enacted in the fiscal year 2011 budget, along with structural changes that allowed the County to be more efficient.

The County is self-insured for various types of liabilities, including medical malpractice, workers' compensation, general automobile and other liabilities. The County is a defendant in lawsuits alleging medical malpractice, work-related injuries, highway cases and other claims. Cases related to these areas are in various stages of the legal process. The County purchased excess liability insurance coverage related to medical malpractice and other claims. The medical malpractice policy is on a claims made basis. While it is difficult to estimate the timing or amount of expenditures, management of the County utilizes an independent actuary to calculate a liability and expense related to this function.

Business-type Activities

The County's major business-type activities include the following healthcare operations:

- Bureau of Health Services
- John H. Stroger, Jr. Hospital of Cook County
- Provident Hospital of Cook County
- Oak Forest Health Center
- Ambulatory and Community Health Network of Cook County
- Department of Public Health
- Cermak Health Services

The net assets of the County's business-type activities decreased by $101.7 million in fiscal year 2011 as compared to the decrease of $19.2 million in fiscal year 2010. The decrease is primarily the result of $109.6 million decrease in sales tax due to a change in allocation from the County and a decrease of $24.1 million in net patient service revenue.

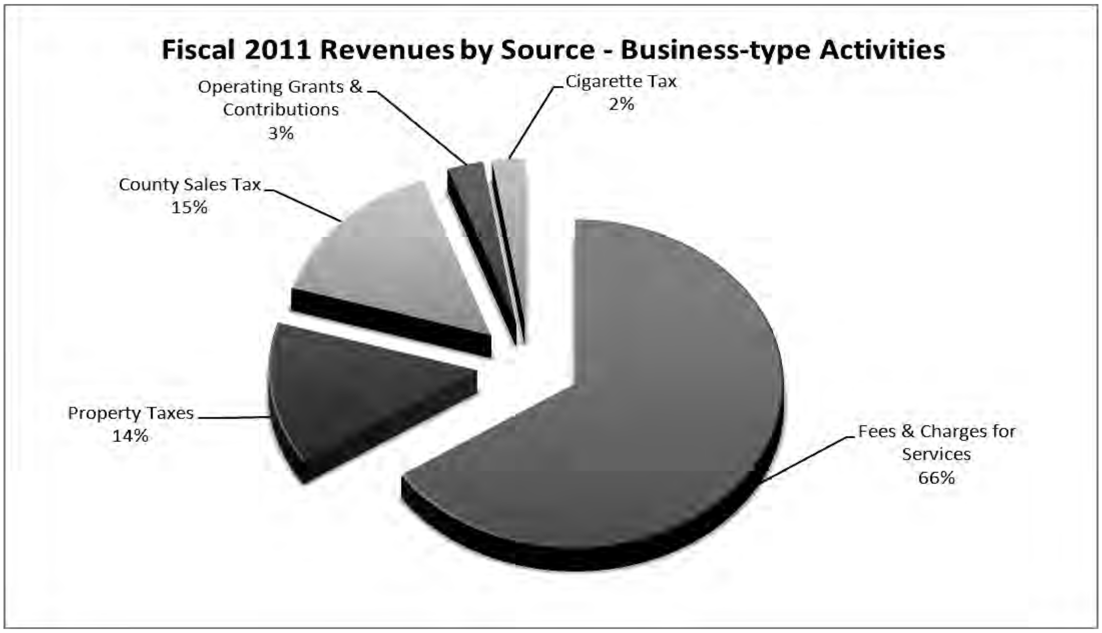
Capital contributions increased $5.5 million to $16.7 million in fiscal year 2011 from $11.2 million in fiscal year 2010. Capital contributions represent the amount the County has contributed toward the construction and acquisition of significant capital assets for the operations of the Cook County Health and Hospitals System.

Transfers from governmental to business-type activities were $97.1 million in fiscal year 2011, representing an increase of $37.0 million (61.6%) from $60.1 million in fiscal year 2010 primarily due to a bond proceeds transfer of $34.2 million from the issuance of corporate purpose notes during fiscal year 2011. The largest portions of these transfers are the employer contributions of $58.7 million on behalf of the CCHHS from the County. This pension contribution is reflected as non-operating revenue and an employee benefits expense in the statement of revenues, expenses, and change in net assets.

In addition, the County subsidizes CCHHS by assuming the vast majority of CCHHS related debt and other long-term obligations. This includes CCHHS's share of general obligation debt, capital outlay, insurance and pension/OPEB.

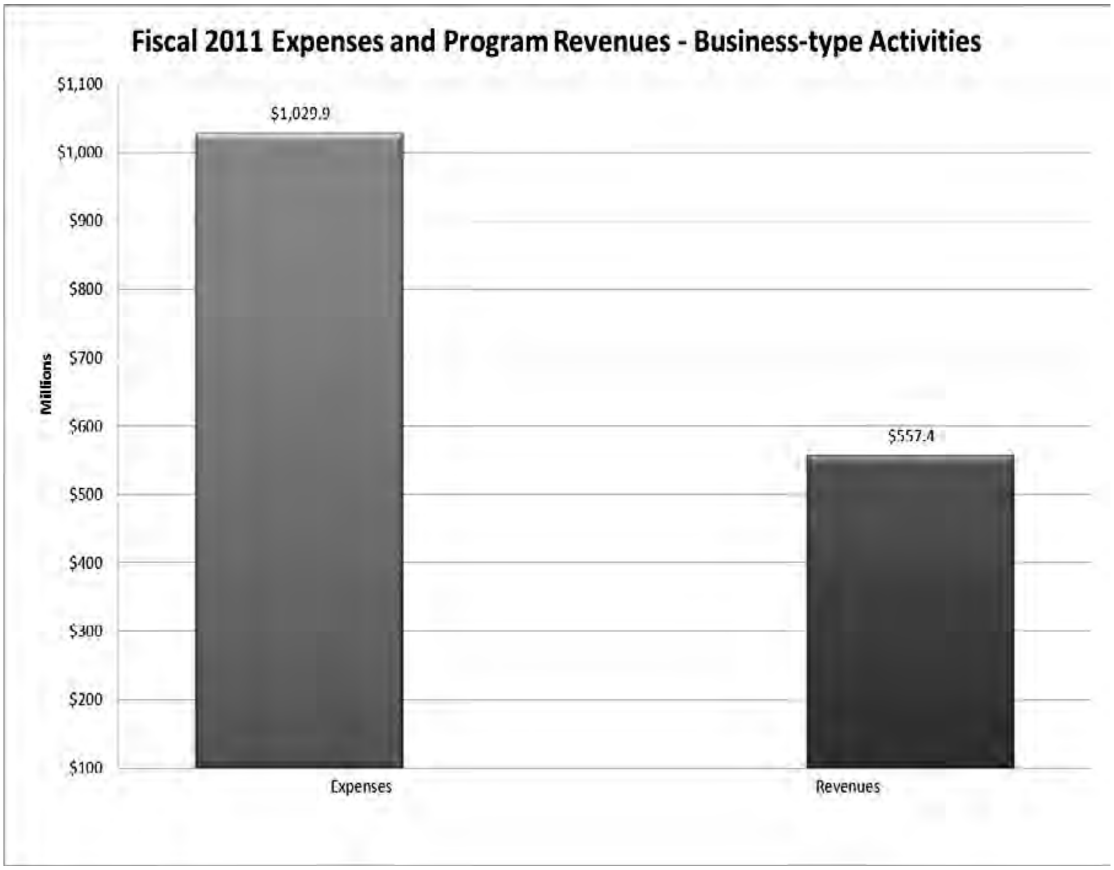
The above activity is more fully described in Footnote I.C. & Footnote VII.

The following chart presents revenues by source for business-type activities for the fiscal year ended November 30, 2011:



Total program revenues for the business-type activities were $557.4 million in fiscal year 2011 as compared to $581.5 million in fiscal year 2010, representing a decrease of $24.1 million (4.1%). This decrease is primarily attributable to the $17.0 decrease in grant revenue and $11.2 decrease in net patient service revenue. During fiscal year 2011, the self-pay component of CCHHS's payer mix increased to 58% from 56% in fiscal year 2010, while Medicaid payer mix increased to 29% from 28% over the same period.

The following graph summarizes the fiscal year 2011 program revenues and expenses of the business-type activities:



The CCHHS is one of the largest public hospital systems in the United States operated by a unit of local government and is the largest provider of medical care to the uninsured, under-insured, and Medicaid populations within the state of Illinois. The Emergency Department at the John H. Stroger, Jr. Hospital is the busiest in the metropolitan Chicago area with a 2011 census of more than 137 thousand emergency room visits. The Provident Hospital emergency department is the fourth largest in the metro-Chicago area with almost 36 thousand emergency room visits in 2011.

Operating revenue, net of bad debt provision, decreased to $557.4 million in fiscal year 2011 from $581.5 million in fiscal year 2010. This decrease is primarily attributable to the $17.0 decrease in grant revenue and $11.2 decrease in net patient service revenue. CCHHS continues to incur significant operating losses due to declining federal reimbursements, dependency on Illinois Medicaid payments, a large self-pay patient population, and rising labor and medical costs. These factors will require the Cook County Board of Commissioners and CCHHS's management to identify new sources of revenues, reduce costs, or realign services to remain financially viable in the long term. The Cook County Board of Commissioners remain committed to the continued mission of CCHHS and through the adopted budget process in fiscal year 2011 approved 30.7% of revenue from other resources in order for CCHHS to complete funding of the adopted budget. In June 2010, the Health and Hospitals System Board of Directors approved the Vision 2015 Strategic Plan which outlines, over five years, restructuring CCHHS to deliver the best possible care for the vulnerable population of Cook County within the constraints of dollar resources available to the health system. This plan seeks to better allocate resources. The Vision 2015 Strategic Plan was subsequently presented to the Cook County Board of Commissioners and was approved in June 2010.

The healthcare industry is highly dependent upon several key factors that have a significant impact on the future operations and financial condition of the CCHHS. These factors include federal and state regulatory authorities, Medicare and Medicaid laws and regulations, healthcare reform initiatives, and managed care contract terms and conditions.

The Vision 2015 Strategic Plan was implemented in 2011. On September 1, 2011, Oak Forest Hospital became Oak Forest Specialty Health Center, moving forward from ineffective, costly inpatient services, to expanded ambulatory services, targeted to increase volume of services overall by placing emphasis on primary care and prevention. Additionally, Provident Hospital went through reconfiguration by scaling back inpatient services by eliminating the ICU and OB/GYN units. Outpatient services were relocated to vacant inpatient units resulting in an expansion of ambulatory services.

In 2011, CCHHS implemented a system-wide charity program, known as CareLink. CareLink is a program designed to assist those patients with income up to 600% of the federal poverty guidelines as published annually in the Federal Register, patients that are residents of Cook County, and patients that are either uninsured or underinsured (have public or private coverage that does not cover the cost of medically necessary care). All patients receiving assistance under CareLink must pay a $10 co-payment per day at the time of service to contribute to their cost of care. CareLink is available at all CCHHS facilities. CareLink replaces the former Limit on Liability charity program.

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is used in assessing the County's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary spending at the end of the fiscal year. The types of governmental funds reported by the County include the General Fund, Motor Fuel Tax Fund, Annuity & Benefit Fund, Capital Projects Fund, Debt Service Fund and Non-major Governmental Funds.

As of November 30, 2011, the County's governmental funds reported a combined fund balance of $1.212 billion, an increase of $252.2 million (11.9%) in comparison with the prior fiscal year fund balance of $0.960 billion. Of the current fiscal year total, $1,035.4 million is restricted, $29.4 million is committed, $37.7 million is assigned and $109.0 million is unassigned. General Fund revenues during the current year were $1.215 billion, which represents a slight decrease from the previous fiscal year of $1.276 billion.

Revenues from all governmental funds for the current year were $2.006 billion which represented an increase of $0.044 billion (2.2%) from the previous year of $1.962 billion. Expenditures for all governmental funds in the current year were $2.113 billion representing a decrease of $0.133 million (5.9%) from the previous year of $2.246 billion.

The General Fund is the County's principal operating fund and is primarily used to account for its governmental activities. The General Fund had a total fund balance of $197.1 million at November 30, 2011, which represented an increase of $136.3 million (224.2%), as compared to $60.8 million the prior fiscal year. This increase was directly related to the issuance of G.O. bonds, corporate purposes notes and a line of credit ($275.3 million in total) reduced by expenditures which exceeded revenues ($170.9 million). Of the current fiscal year total, $37.7 million is assigned and $159.4 million is unassigned. General Fund revenues during the current year were $1.215 billion, which represented a decrease of $.061 billion (4.8%) from the previous fiscal year of $1.276 billion.

The following items explain significant changes in General Fund revenues and expenditures:

- Revenues from taxes decreased by $31.9 million compared to fiscal year 2010, which is primarily a net effect of a $30.8 million decrease in sales taxes collected for fiscal year 2011. The decrease in sales tax is primarily due to a full year of sales tax reduction of a half of 1% compared to fiscal year 2010, offset by stronger sales across the County.

- Revenues from fee offices decreased by $27.6 million (9.7%). The decrease was primarily due to a reduction in collection of circuit court fees and penalties on late payment of real estate taxes.

- Fiscal year 2011 expenditures increased by $65.8 million (5.0%). This increase was primarily the result of increased Corrections costs of $9.1 million due to fully staffing the jail complex and Courts costs of $81.4 million due to a significant increase in workers' compensation and liability claim payments, offset by a decrease in Government Management and Supporting Services costs of $25.8 million primarily due to budget reductions of 16% from fiscal year 2010 to fiscal year 2011 in the Corporate Fund.

The Motor Fuel Tax Fund reported a fund balance of $89.1 million at November 30, 2011. This amount represented an increase of $22.7 million (34.2%) as compared to

$66.4 million on November 30, 2010. The entire fund balance for the Motor Fuel Tax Fund is restricted for road improvements and construction.

As of November 30, 2011, the Capital Projects Fund reported a fund balance of $486.3 million, which represented a $94.1 million (16.2%) decrease as compared to $580.4 million on November 30, 2010. The entire fund balance for the Capital Projects Fund is restricted.

The Debt Service Fund reported a fund balance of $318.3 million on November 30, 2011 as compared to $155.8 million at November 30, 2010. The $162.5 million (104.3%) fund balance increase is primarily attributable to general obligation bond issuance during fiscal year 2011. All of the current year fund balance is restricted for future debt service payments in accordance with the approved budgetary ordinance.

Proprietary Funds

The County's proprietary fund statements provide similar information found in the government-wide Business-type activities financial statements, but in more detail.

For the fiscal year ended November 30, 2011, the unrestricted net assets of the enterprise funds was $168.1 million, compared to $247.2 million at November 30, 2010. Factors concerning the financial activity of this fund have been previously discussed in the County's business-type activities.

General Fund Budgetary Highlights

The Board of Commissioners of the County adopted the County's FY 2011 Budget on February 26, 2011. The total County budget for 2011 was $3.05 billion, of which $3.05 billion (100%) represents direct operating costs. The General Funds total was $2.329 billion, representing 76% of the total budget. Public Safety comprised 54% and the Health Fund comprised 39% of appropriations, while the Corporate Account represents 7% of Operating appropriations.

The accompanying basic financial statements include a Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual on a Non-GAAP Budget Basis. The County's budgetary basis of accounting is discussed in Note 1-d. and Note 2 to the basic financial statements.

During fiscal year 2011, the County's budgetary basis actual General Fund revenues were $1.254 billion, .02% higher than budget estimates. The majority of this increase was primarily attributable to the Treasurer collection of penalties and fees on late property tax payments resulting from continued softness in the economy. Actual budgetary basis General Fund expenditures and encumbrances for fiscal year 2011 were $1.373 billion, (3.28% less than budget estimates). The positive variance was primarily attributable to lower than expected expenditures in the Courts ($47.8 million), which was primarily the result of conservative revenue estimates and new federally mandated officers.

Capital Assets

The County's capital assets for its governmental and business-type activities decreased $8.6 million (0.4%), net of accumulated depreciation at November 30, 2011. Capital assets include land, buildings and improvements, intangible assets and machinery and equipment. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

Governmental Activities
Changes in Capital Assets, Net of Depreciation
Primary Government - All Activities
Year end November 30
(in millions)

	Governmental Activities		Business-type Activities		Total		Increase
	2011	2010*	2011	2010	2011	2010*	(Decrease)
Land	$ 151.3	$ 151.3	$ -	$ -	$ 151.3	$ 151.3	$ -
Buildings	719.6	747.2	403.4	420.8	1,123.0	1,168.0	(45.0)
Machinery and Equipment	93.1	80.6	52.8	52.6	145.9	133.2	12.7
Infrastructure	470.9	475.7	-	-	470.9	475.7	(4.8)
Construction in Progress	244.0	215.5	-	-	244.0	215.5	28.5
Total Capital Assets	$ 1,678.9	$ 1,670.3	$ 456.2	$ 473.4	$ 2,135.1	$ 2,143.7	$ (8.6)

*Due to the implementation of GASB 61, the Forest Prerserve District has been removed from Governmental Activities.

The County has undertaken a number of capital improvement projects. These projects are categorized under the following areas of interest: life safety, code/regulatory requirement, public safety and miscellaneous projects. Funding is also provided for the repair and construction of County roads and maintenance of all County facilities. Countywide projects are designed to target the changing needs of building systems and increase efficiency in maintaining compliance with current building codes and regulations. For example, the Countywide Window Replacement project replaced windows at Hawthorne, Skokie and South Campus Buildings 3 and 4, as well as repaired windows at Maywood-Whitcomb and Sheriff Buildings throughout the County. The Countywide Exterior Wall Package at the Juvenile Temporary Detention Center is the renovation of the east and west exterior as well as the parking garage facility. Sheriff Video Camera and Recording Systems project is installing high quality video cameras and recording systems at the Criminal Courts and Administration Building, the Medical Examiner's Office and several courthouses. It is designed to enhance the safety of the staff, the public and the inmates. Continuous improvements are being done to the County's highway system, which is an important part of the modern city and suburban transportation network. Additionally, the County received donated capital assets from the City of Chicago through a federally funded Public Safety Interoperable Communications (PSIC) grant during fiscal year 2011. The value of the donated capital asset was $18.5 million and was used to upgrade existing County radio towers and other equipment that in an emergency, the County and the City could communicate with each other under the same frequency and bandwidth.

Additional information on the County's capital assets can be found in Note I.D.4. & Note III.B. of the Basic Financial Statements.

Debt Administration

General Obligation Bonds are issued pursuant to an authorizing Bond Ordinance which is adopted by the Cook County Board of Commissioners. The County has the authority to issue bonds under its home rule powers as defined by the 1970 Illinois Constitution. Each bond issue is sold to investors with the net proceeds from the bond sales being utilized to finance the costs, including design, construction, furnishing and interest during construction of the capital projects and capital equipment, and to finance the working cash accounts and self-insurance accounts which are approved by the Board.

The full faith and credit of the County is pledged for the punctual payment of principal and interest due on the bonds. The County has levied ad valorem real property taxes to provide for these payments. These taxes are required to be extended for collection against all taxable real property within the County, without limitation as to rate and amount.

The County continues to obtain long-term financing for the construction, acquisition or renovation of various long-term assets. It is management's objective to meet the County's overall demands for capital improvements and capital equipment and, at the same time, to ensure that property taxpayers are not over-burdened with general obligation bonds payable from ad valorem taxes.

At the end of the current fiscal year, the County had various general obligation bond issues outstanding amounting to $3.8 billion. All of the County's outstanding debt is backed by the full faith and credit of the County.

The following table indicates the changes in the County's long-term debt that occurred during fiscal year 2011 (in millions):

Changes in Long-Term Debt
Primary Government - All activities
($ amounts in millions)

Description	Governmental Activities		Business-type Activities		Total	
	2011	2010*	2011	2010	2011	2010*
G.O. Bonds, net	$ 3,861.6	$ 3,553.1	$ -	$ -	$ 3,861.6	$ 3,553.1
Self Insurance Claims	269.9	349.3	-	-	269.9	349.3
Property Tax Objections	40.8	29.0	42.2	42.4	83.0	71.4
Compensated Absences	65.7	62.6	10.4	7.6	76.1	70.2
Pension/OPEB Obligations	2,323.9	1,878.9	-	-	2,323.9	1,878.9
Other	0.5	4.1	-	-	0.5	4.1
Totals	$ 6,562.4	$ 5,877.0	$ 52.6	$ 50.0	$ 6,615.0	$ 5,927.0

*Due to the implementation of GASB 61, the Forest Prerserve District has been removed from Governmental Activities.

During the current fiscal year ended November 30, 2011, the County's liabilities for long-term obligations increased by $689 million (8.7%). The increase was primarily attributable to the issuance of general obligation bonds during the fiscal year, increases in liabilities for the property tax objections and increased pension liabilities. It should be noted that all debts associated with the capital assets of the CCHHS (business-type activities) are the general obligations of the County (governmental activities).

Additional information on the County's long-term debt can be found in Note III.F. of the Basic Financial Statements.

Bond Ratings

Cook County continues to meet the needs of its ongoing capital improvement program through the prudent use of its revenues and effective debt financing programs. The County's underlying ratings on its general obligation bonds at November 30, 2011 were:

Fitch	AA-
Moody's Investors Service	Aa3
Standard & Poor's Corporation	AA

The County's underlying rating on its general obligation bonds was downgraded from Aa2 to Aa3 by Moody's Investors Service in June 2011 and was downgraded from AA to AA- by Fitch Ratings in September 2011, whereas Standard & Poors reaffirmed the County's underlying ratings at AA.

Other Obligations

The County administers a self-insurance program for all risks, including workers' compensation, medical malpractice, auto and general liability and other liabilities subject to certain stop-loss provisions. Detailed information about the County's liabilities related to the self-insurance program is included in Note 1 to the Basic Financial Statements. Other obligations include pension, OPEB and compensated absences for vacation and sick time earned by employees.

Budgetary Summary

On February 26, 2011, the County Board of Commissioners approved the 2011 fiscal year budget. In conjunction with passing the 2011 budget, the board passed an ordinance amendment rolling back the Home Rule County Retailers' Occupation Tax, at the rate of one and one-quarter percent (1.25%) through December 31, 2011; one percent (1%) for the period of January 1, 2012; and three quarters percent (.75%) thereafter of the gross receipts from such sales made in the course of such business.

The County has restructured the FY2011 Budget in regards to the issues of declining revenues and increased costs in operations by consolidating administrative functions, enhancing revenue collection at the CCHHS, restructuring debt, improving management of the state and federal grants, making better use of technology, outsourcing where appropriate to private-sector firms and through a planned reduction in the County workforce.

Economic Factors and Future Significant Information

The County's revenues and expenditures have been affected by changes in local, national and international financial factors. The new Cook County Administration has taken these economic changes into consideration and has implemented performance management initiatives to improve the County's fiscal future. Some of the key economic factors that influence the County's finances are noted below:

- According to the Bureau of Labor Statistics, the 2011 unemployment rate for Cook County decreased by 0.4% to 10.4% compared to 10.8% in 2010.
- Home sales in Cook County decreased during fiscal year 2011 by 5.5% to 39,044 compared to fiscal year 2010 sales of 41,324. This affects the property tax revenue received by Cook County.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act (the "Act"), a comprehensive health care reform bill. The Act includes measures that change the dynamics of the health care industry, and is subject to change, including through the adoption of related regulations, the way in which its provisions are interpreted and the manner in which it is enforced. CCHHS remains uncertain as to the ultimate impact these changes will have on its operations because of the numerous steps required to implement the Act.

Requests for Information

This financial report is designed to provide a general overview of County's financial position for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Comptroller, 118 North Clark Street, Room 500, Chicago, Illinois 60602.

SEAL OF COOK COUNTY • ILLINOIS •

JANUARY 1831

BASIC FINANCIAL STATEMENTS

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Exhibit 1
COOK COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
November 30, 2011

	Primary Government				
	Governmental Activities	Business-type Activities	Adjustments	Total	Total Component Units
ASSETS					
Cash and Investments	$ 747,434,505	$ 121,542,927	$ -	$ 868,977,432	$ 273,947,177
Cash and Investments with escrow agent	39,130,694	-	-	39,130,694	-
Taxes receivable (net of allowance for loss of $9,621,478)	626,632,567	125,070,478	-	751,703,045	64,536,417
Other assets	26,296,716	1,029,457	-	27,326,173	32,271,323
Internal balances	43,455	(43,455)	-	-	-
Due from other governments	168,492,860	33,593,277	-	202,086,137	1,698,516
Patient accounts -					
Net of allowances for uncollectible accounts - $529,887,369	-	87,339,969	-	87,339,969	-
Third party settlements	-	7,730,925	-	7,730,925	-
Inventories	-	3,560,213	-	3,560,213	5,820,000
Loans receivable, net of allowance of $1,480,044	55,515,357	-	-	55,515,357	-
Deferred bond issuance costs	26,559,436	-	-	26,559,436	1,262,345
Cash and Investments with trustees	461,345,443	-	-	461,345,443	-
Capital assets not being depreciated	395,274,630	-	-	395,274,630	225,043,187
Capital assets, net of accumulated depreciation	1,283,620,419	456,161,524	-	1,739,781,943	323,590,517
Total Assets	**3,830,346,082**	**835,985,315**	**-**	**4,666,331,397**	**928,169,482**
LIABILITIES					
Accounts payable	130,313,388	57,510,736	-	187,824,124	15,327,832
Accrued salaries payable	52,399,725	20,123,651	-	72,523,376	3,958,659
Deferred revenue - property tax	-	-	-	-	79,456,816
Deferred revenue - other	25,997,423	80,246,730	-	106,244,153	-
Other liabilities	25,840,018	122,467	-	25,962,485	16,734,735
Accrued interest	8,170,091	-	-	8,170,091	-
Line of credit payable	36,000,000	-	-	36,000,000	-
Noncurrent liabilities:					
Due within one year	209,147,155	42,167,909	-	251,315,064	9,292,867
Due in more than one year	6,353,174,298	10,445,572	-	6,363,619,870	229,588,767
Total Liabilities	**6,841,042,098**	**210,617,065**	**-**	**7,051,659,163**	**354,359,676**
NET ASSETS					
Net assets (deficit)					
Invested in capital assets, net of related debt	705,745,616	456,161,524	(900,049,681)	261,857,459	397,343,610
Restricted for:					
Debt service	497,229,408	-	-	497,229,408	12,542,710
Pension benefits	138,573,901	-	-	138,573,901	-
Capital projects	575,393,717	-	-	575,393,717	35,794,281
Other restricted funds for specific purposes	184,068,848	1,058,593	-	185,127,441	73,697,000
Unrestricted (deficit)	(5,111,707,506)	168,148,133	900,049,681	(4,043,509,692)	54,432,205
Total Net Assets (deficit)	**$ (3,010,696,016)**	**$ 625,368,250**	**$ -**	**$ (2,385,327,766)**	**$ 573,809,806**

The notes to the financial statements are an integral part of this statement.

Exhibit 2
COOK COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended November 30, 2011

		Program Revenues		
Functions/Programs	**Expenses**	**Licenses, Fees & Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government				
Governmental Activities:				
Government management and supporting services	$ 325,648,991	$ 52,614,691	$ 14,625,840	$ 15,530
Corrections	479,369,057	31,356,070	4,500,819	18,515,205
Courts	1,198,546,791	143,127,289	83,298,522	2,784,894
Control of environment	7,323,018	7,515,252	809,957	39,804
Assessment and collection of taxes	73,641,349	93,223,515	456,392	42
Election	26,436,796	-	1,754,820	-
Economic and human development	52,896,753	-	37,018,977	1,819,224
Transportation	63,030,806	404,778	20,192,840	87,817,419
Interest and other charges	155,314,685	-	-	-
Total Governmental Activities	2,382,208,246	328,241,595	162,658,167	110,992,118
Business-type Activities:				
CCHHS	1,029,903,672	534,604,567	22,805,816	-
Total business-type Activities	1,029,903,672	534,604,567	22,805,816	-
Total primary government	$ 3,412,111,918	$ 862,846,162	$ 185,463,983	$ 110,992,118
Component units:				
Forest Preserve District	$ 173,382,856	$ 48,811,305	$ 29,509,700	$ -
Emergency Telephone Systems	2,143,468	2,527,531	-	-
Total Component units	$ 175,526,324	$ 51,338,836	$ 29,509,700	$ -

General Revenues
Taxes:
Property taxes - tax levy
Nonproperty taxes:
Personal property replacement tax
County sales taxes
County use tax
State income tax
Alcohol beverage tax
Gasoline tax
Cigarette taxes
Amusement tax
Parking lot and garage operation tax
Road taxes
Other nonproperty taxes
Total nonproperty taxes:
Total Taxes:
Miscellaneous revenue
Investment income
Transfers
Transfers - contributed capital
Total general revenues and transfers
Change in net assets
Net Assets - Beginning (as restated - see Note IX)
Net Assets - Ending

The notes to the financial statements are an integral part of this statement.

Governmental Activities	Business-type Activities	Total	Total Component Units	Functions/Programs
Net (Expense) Revenue and Changes in Net Assets — Primary Government				
				Primary government
				Governmental Activities:
$ (258,392,930)	$ -	$ (258,392,930)		Government management and supporting services
(424,996,963)	-	(424,996,963)		Corrections
(969,336,086)	-	(969,336,086)		Courts
1,041,995	-	1,041,995		Control of environment
20,038,600	-	20,038,600		Assessment and collection of taxes
(24,681,976)	-	(24,681,976)		Election
(14,058,552)	-	(14,058,552)		Economic and human development
45,384,231	-	45,384,231		Transportation
(155,314,685)	-	(155,314,685)		Interest and other charges
(1,780,316,366)	-	(1,780,316,366)		**Total Governmental Activities**
				Business-type Activities:
-	(472,493,289)	(472,493,289)		CCHHS
-	(472,493,289)	(472,493,289)		Total business-type Activities
$ (1,780,316,366)	$ (472,493,289)	$ (2,252,809,655)		**Total primary government**
				Component units:
			$ (95,061,851)	Forest Preserve District
			384,063	Emergency Telephone Systems
			$ (94,677,788)	**Total Component units**
				General Revenues
				Taxes:
$ 620,770,066	$ 114,244,985	$ 735,015,051	$ 89,029,836	Property taxes - tax levy
				Nonproperty taxes:
48,596,035	-	48,596,035	7,003,563	Personal property replacement tax
383,614,565	122,176,295	505,790,860	-	County sales taxes
38,960,702	-	38,960,702	-	County use tax
9,921,543	-	9,921,543	-	State income tax
25,657,067	-	25,657,067	-	Alcohol beverage tax
85,502,140	-	85,502,140	-	Gasoline tax
102,671,577	20,575,441	123,247,018	-	Cigarette taxes
27,733,957	-	27,733,957	-	Amusement tax
35,493,171	-	35,493,171	-	Parking lot and garage operation tax
8,521,236	-	8,521,236	-	Road taxes
20,148,283	-	20,148,283	-	Other nonproperty taxes
786,820,276	142,751,736	929,572,012	7,003,563	Total nonproperty taxes:
1,407,590,342	256,996,721	1,664,587,063	96,033,399	Total Taxes:
35,095,310	-	35,095,310	2,146,190	Miscellaneous revenue
3,895,584	22,890	3,918,474	(5,507,208)	Investment income
(97,062,697)	97,062,697	-	-	Transfers
(16,658,986)	16,658,986	-	-	Transfers - contributed capital
1,332,859,553	370,741,294	1,703,600,847	92,672,381	Total general revenues and transfers
(447,456,813)	(101,751,995)	(549,208,808)	(2,005,407)	Change in net assets
(2,563,239,203)	727,120,245	(1,836,118,958)	575,815,213	Net Assets - Beginning (as restated - see Note IX)
$ (3,010,696,016)	$ 625,368,250	$ (2,385,327,766)	$ 573,809,806	Net Assets - Ending

Exhibit 3
COOK COUNTY, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
November 30, 2011

	General	Motor Fuel Tax	Annuity and Benefit	Capital Projects
ASSETS:				
Cash and investments	$ 229,114,267	$ 81,214,488	$ -	$ 68,425,978
Cash and investments with escrow agent	-	-	-	-
Cash and investments with trustees	-	-	-	452,271,280
Taxes receivable -				
(net of allowance for loss of $3,661,344)				
Tax levy - current year	255,593,866	-	138,497,492	-
Tax levy - prior year	14,759,105	-	3,986,589	-
Accrued interest receivable	16,778	5,534	-	27,137
Accounts receivable -				
Due from others	25,672,026	-	-	-
Due from other governments	112,254,794	16,540,007	8,591,393	-
Due from other funds	43,455	-	-	-
Loans receivable, net of allowance of $1,480,044	-	-	-	-
Total assets	$ 637,454,291	$ 97,760,029	$ 151,075,474	$ 520,724,395
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	$ 69,438,011	$ 8,641,793	$ -	$ 34,448,914
Accrued salaries payable	49,553,848	-	-	-
Amounts held for outstanding warrants	6,424,788	-	-	-
Due to other funds	4,109,239	-	-	-
Due to others	-	-	12,501,573	-
Due to other governments	-	-	-	-
Deferred revenue - property tax	265,062,342	-	138,573,901	-
Deferred revenue - other	45,761,675	-	-	-
Total liabilities	440,349,903	8,641,793	151,075,474	34,448,914
Fund balance:				
Restricted	-	89,118,236	-	486,275,481
Committed	-	-	-	-
Assigned	37,722,373	-	-	-
Unassigned	159,382,015	-	-	-
Total fund balances	197,104,388	89,118,236	-	486,275,481
Total liabilities and fund balances	$ 637,454,291	$ 97,760,029	$ 151,075,474	$ 520,724,395

The notes to the financial statements are an integral part of this statement.

Debt Service	Nonmajor Governmental Funds	Total Governmental Funds	
			ASSETS:
$ 270,126,170	$ 98,553,602	$ 747,434,505	Cash and investments
39,130,694	-	39,130,694	Cash and investments with escrow agent
9,074,163	-	461,345,443	Cash and investments with trustees
			Taxes receivable -
			(net of allowance for loss of $3,661,344)
187,080,716	19,000,000	600,172,074	Tax levy - current year
4,525,661	3,189,138	26,460,493	Tax levy - prior year
564,195	7,614	621,258	Accrued interest receivable
			Accounts receivable -
-	3,432	25,675,458	Due from others
-	31,106,666	168,492,860	Due from other governments
-	3,866,392	3,909,847	Due from other funds
-	55,515,357	55,515,357	Loans receivable, net of allowance of $1,480,044
$ 510,501,599	$ 211,242,201	$ 2,128,757,989	Total assets
			LIABILITIES AND FUND BALANCES:
			Liabilities:
$ -	$ 17,784,670	$ 130,313,388	Accounts payable
-	2,845,877	52,399,725	Accrued salaries payable
-	-	6,424,788	Amounts held for outstanding warrants
5,102,100	101,626	9,312,965	Due to other funds
-	-	12,501,573	Due to others
-	1,467,084	1,467,084	Due to other governments
187,080,718	21,047,015	611,763,976	Deferred revenue - property tax
-	47,289,975	93,051,650	Deferred revenue - other
192,182,818	90,536,247	917,235,149	Total liabilities
			Fund balance:
318,318,781	141,729,281	1,035,441,779	Restricted
-	29,414,640	29,414,640	Committed
-	-	37,722,373	Assigned
-	(50,437,967)	108,944,048	Unassigned
318,318,781	120,705,954	1,211,522,840	Total fund balances
$ 510,501,599	$ 211,242,201	$ 2,128,757,989	Total liabilities and fund balances

Exhibit 4
COOK COUNTY, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
November 30, 2011

Total Fund Balances - Governmental Funds		$ 1,211,522,840
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		1,678,895,049
Revenues that have been deferred in the governmental funds but are recognized as revenue in the government-wide financial statements.		678,818,203
The self-insurance account is used to self-insure the County of all risks, including medical malpractice, workers' compensation, general, automobile and other liabilities. This account is included in the governmental funds, but the long-term liabilities of this account are only included in governmental activities in the statement of net assets.		(269,930,173)
The net pension and OPEB liability is not recorded in governmental fund statements.		(2,323,820,437)
Long-term liabilities, as listed below, are not due and payable in the current period and therefore are not reported as fund liabilities:		
Bonds payable	(3,814,460,000)	
Line of credit payable	(36,000,000)	
Deferred amounts (net premium, refunding)	(47,086,768)	
Property tax objections	(40,782,030)	
Pollution remediation	(526,118)	
Compensated absences	(65,715,927)	
Debt issuance costs	26,559,436	
Accrued interest	(8,170,091)	
		(3,986,181,498)
Total net deficit of governmental activities		$ (3,010,696,016)

The notes to the financial statements are an integral part of this statement.

SEAL OF COOK COUNTY

JANUARY 1831

ILLINOIS

Exhibit 5
COUNTY OF COOK, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended November 30, 2011

	General	Motor Fuel Tax	Annuity and Benefit	Capital Projects
REVENUES:				
Taxes -				
Property	$ 201,264,338	$ -	$ 144,240,820	$ -
Nonproperty	720,790,723	87,817,419	48,596,035	-
Fees and licenses	257,570,195	-	-	-
Intergovernmental grants and reimbursements -				
Federal government	2,716,317	-	-	-
State of Illinois	11,879,440	16,742,438	-	-
Other governments	-	3,450,402	-	-
Investment income	92,993	36,929	19,197	3,518,853
Miscellaneous	20,904,775	149,588	-	-
Total revenues	1,215,218,781	108,196,776	192,856,052	3,518,853
EXPENDITURES:				
Current -				
Government management and supporting services	119,659,173	-	14,026,969	-
Corrections	355,140,294	-	38,308,877	-
Courts	847,850,797	-	75,211,077	-
Control of environment	1,935,551	-	936,461	-
Assessment and collection of taxes	34,671,885	-	2,994,514	-
Election	7,291,022	-	655,827	-
Economic and human development	1,313,234	-	3,585,587	-
Transportation	8,024,343	40,965,391	2,209,837	-
Health	-	-	54,926,903	-
Capital Outlay	-	-	-	89,506,751
Debt service -				
Principal	10,000,000	-	-	418,228
Interest and other charges	187,039	-	-	182,948
Bond issuance costs	-	-	-	-
Total expenditures	1,386,073,338	40,965,391	192,856,052	90,107,927
Revenues over (under) expenditures	(170,854,557)	67,231,385	-	(86,589,074)
OTHER FINANCING SOURCES (USES):				
Transfers in	60,245,739	-	-	-
Transfers out	(38,386,097)	(44,500,000)	-	(7,487,046)
Insurance recoveries	10,000,000	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Issuance of line of credit	46,000,000	-	-	-
Issuance of corporate purpose notes	105,121,433	-	-	-
Issuance of general obligation bonds -				
Par value of bonds	124,165,027	-	-	-
Net premium	-	-	-	-
Total other financing uses	307,146,102	(44,500,000)	-	(7,487,046)
Net change in fund balance	136,291,545	22,731,385	-	(94,076,120)
FUND BALANCE - Beginning, as restated	60,812,843	66,386,851	-	580,351,601
FUND BALANCE - Ending	$ 197,104,388	$ 89,118,236	$ -	$ 486,275,481

The notes to the financial statements are an integral part of this statement.

Debt Service	Nonmajor Governmental Funds	Total Governmental Funds	
			REVENUES:
			Taxes -
$ 216,963,779	$ 41,886,428	$ 604,355,365	Property
-	8,438,433	865,642,610	Nonproperty
-	69,428,797	326,998,992	Fees and licenses
			Intergovernmental grants and reimbursements -
13,138,519	118,861,701	134,716,537	Federal government
-	11,544,214	40,166,092	State of Illinois
-	687,819	4,138,221	Other governments
130,898	66,239	3,865,109	Investment income
-	5,320,800	26,375,163	Miscellaneous
230,233,196	256,234,431	2,006,258,089	Total revenues
			EXPENDITURES:
			Current -
-	6,205,775	139,891,917	Government management and supporting services
-	15,473,350	408,922,521	Corrections
-	103,651,977	1,026,713,851	Courts
-	2,790,439	5,662,451	Control of environment
-	13,318,058	50,984,457	Assessment and collection of taxes
-	14,752,162	22,699,011	Election
-	35,108,383	40,007,204	Economic and human development
-	20,029,858	71,229,429	Transportation
-	4,460,022	59,386,925	Health
-	-	89,506,751	Capital Outlay
			Debt service -
29,570,000	-	39,988,228	Principal
154,110,700	-	154,480,687	Interest and other charges
3,627,298	-	3,627,298	Bond issuance costs
187,307,998	215,790,024	2,113,100,730	Total expenditures
42,925,198	40,444,407	(106,842,641)	Revenues over (under) expenditures
			OTHER FINANCING SOURCES (USES):
7,487,046	-	67,732,785	Transfers in
-	(15,745,739)	(106,118,882)	Transfers out
-	-	10,000,000	Insurance recoveries
(285,923,269)	-	(285,923,269)	Payment to refunded bond escrow agent
-	-	46,000,000	Issuance of line of credit
-	-	105,121,433	Issuance of corporate purpose notes
			Issuance of general obligation bonds -
383,133,540	-	507,298,567	Par value of bonds
14,884,156	-	14,884,156	Net premium
119,581,473	(15,745,739)	358,994,790	Total other financing uses
162,506,671	24,698,668	252,152,149	Net change in fund balance
155,812,110	96,007,286	959,370,691	**FUND BALANCE - Beginning, as restated**
$ 318,318,781	$ 120,705,954	$ 1,211,522,840	**FUND BALANCE - Ending**

Exhibit 6
COOK COUNTY, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended November 30, 2011

Net change in fund balances - total governmental funds		$ 252,152,149
Amounts reported for governmental activities in the statement of activities are different because:		
The governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In addition, donated capital assets are not recorded on the fund financials but are included as capital assets and related revenue on the government-wide statement of activities.		
Capital outlay	96,777,650	
Donated capital assets	18,529,066	
Depreciation and amortization expense	(106,677,670)	
Loss on disposal of capital assets	(6,775)	
		8,622,271
The recognition of certain liabilities in the statement of activities that do not provide current financial resources such as reductions in capital lease obligations and in compensated absences and increases in pollution remediation liabilities and property tax objections are not reported as revenues in the funds.		
Capital lease payments	418,228	
Property tax objections	(11,812,994)	
Pollution remediation reduction	3,072,799	
Compensated absences	(3,130,159)	
		(11,452,126)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items, including current year debt issuance and loss on refunding. The effect on net assets of these items are the following:		
Debt service payments	39,570,000	
Line of credit issuance	(46,000,000)	
Par amount of bond issuance	(612,420,000)	
Payment to refunded bond escrow	285,923,269	
Premium on bond issuance	(14,884,156)	
Cost of bond issuance	3,637,610	
Amortization of deferred bond issuance costs	(2,781,977)	
Amortization of deferred bond premium	8,715,003	
Increase in accrued interest on bonds	(1,478,174)	
Amortization of deferred amount on refunding	(5,299,162)	
		(345,017,587)
Self-insurance claims expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds but are considered as other long-term liabilities.		79,404,723
Other long term assets are not available to pay for current period expenditures and therefore are deferred in the fund financials but recorded as revenue in the government-wide statement of activities.		
Deferred revenue - property and other taxes	25,326,983	
Deferred revenue - grants	(11,634,247)	
		13,692,736
The change in the net pension and OPEB obligation is not recognized in governmental funds.		(444,858,979)
Change in net assets (deficits) of governmental activities.		$ (447,456,813)

The notes to the financial statements are an integral part of this statement.

Exhibit 7
COOK COUNTY, ILLINOIS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND ENCUMBRANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
For the Year Ended November 30, 2011

	Original and Final Budget	Actual Amounts	Variance
REVENUES:			
Taxes -			
Property	$ 205,235,991	$ 248,767,819	$ 43,531,828
Nonproperty taxes	724,564,556	713,249,941	(11,314,615)
Total taxes	929,800,547	962,017,760	32,217,213
Fees and licenses	276,379,713	259,366,354	(17,013,359)
Intergovernmental grant and reimbursements-			
Federal government	-	2,730,626	2,730,626
State of Illinois	853,978	-	(853,978)
Investment income	-	(450,475)	(450,475)
Reimbursements from other governments	31,191,635	18,310,408	(12,881,227)
Miscellaneous	15,554,186	12,051,778	(3,502,408)
Total revenues	1,253,780,059	1,254,026,451	246,392
EXPENDITURES AND ENCUMBRANCES:			
Current -			
Government management and supporting services	151,138,432	126,416,799	24,721,633
Corrections	367,452,156	395,749,223	(28,297,067)
Control of environment	2,155,533	1,872,999	282,534
Courts	843,200,053	795,423,077	47,776,976
Assessment and collection of taxes	36,167,239	36,961,947	(794,708)
Election	7,922,678	7,358,765	563,913
Economic and human development	1,211,147	1,279,647	(68,500)
Transportation	9,276,334	8,382,521	893,813
Total expenditures and encumbrances	1,418,523,572	1,373,444,978	45,078,594
Revenues under expenditures and encumbrances	(164,743,513)	(119,418,527)	45,324,986
OTHER FINANCING SOURCES:			
Transfers in	72,305,469	63,165,570	(9,139,899)
Issuance of line of credit	45,000,000	46,000,000	1,000,000
Issuance of debt	47,438,044	67,559,476	20,121,432
Total other financing sources	164,743,513	176,725,046	11,981,533
Revenues and other financing sources over expenditures and encumbrances	$ -	$ 57,306,519	$ 57,306,519

The notes to the financial statements are an integral part of this statement.

Exhibit 8
COOK COUNTY, ILLINOIS
MOTOR FUEL TAX FUND
STATEMENT OF REVENUES, EXPENDITURES, AND ENCUMBRANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
For the Year Ended November 30, 2011

	Original and Final Budget	Actual Amounts	Variance
REVENUES:			
Nonproperty tax	$ 89,681,000	$ 88,251,268	$ (1,429,732)
Intergovernmental grants and reimbursements -			
State of Illinois	11,667,000	16,742,438	5,075,438
Other governments	-	3,402,789	3,402,789
Investment income	-	36,921	36,921
Miscellaneous	-	153,337	153,337
Fund balance	11,812,729	11,812,729	-
Total revenues	113,160,729	120,399,482	7,238,753
EXPENDITURES AND ENCUMBRANCES:			
Transportation	68,660,729	44,726,093	23,934,636
Total expenditures and encumbrances	68,660,729	44,726,093	23,934,636
Revenues over expenditures and encumbrances	44,500,000	75,673,389	31,173,389
OTHER FINANCING (USES):			
Transfers out	(44,500,000)	(44,500,000)	-
Total other financing uses	(44,500,000)	(44,500,000)	-
Revenues over expenditures and encumbrances and other financing uses	$ -	$ 31,173,389	$ 31,173,389

The notes to the financial statements are an integral part of this statement.

Exhibit 9
COOK COUNTY, ILLINOIS
ANNUITY AND BENEFIT FUND
STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES
BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS
For the Year Ended November 30, 2011

	Original and Final Budget	Actual Amounts	Variance
REVENUES:			
Property tax	$ 133,941,676	$ 138,723,067	$ 4,781,391
Personal property replacement tax & TIF	58,292,535	53,736,719	(4,555,816)
Investment Income	-	19,197	19,197
Total revenues	192,234,211	192,478,983	244,772
EXPENDITURES - Pension Contributions			
Government management and supporting services	13,981,740	13,999,543	(17,803)
Corrections	38,185,355	38,233,977	(48,621)
Courts	74,968,568	75,064,026	(95,458)
Control of environment	933,441	934,630	(1,189)
Assessment and collection of taxes	2,984,859	2,988,659	(3,801)
Election	653,712	654,544	(832)
Economic and human development	3,574,026	3,578,576	(4,551)
Transportation	2,202,712	2,205,517	(2,805)
Health	54,749,798	54,819,511	(69,713)
Total expenditures and encumbrances	192,234,211	192,478,983	244,772
Revenues over (under) expenditures	$ -	$ -	$ -

The notes to the financial statements are an integral part of this statement.

Exhibit 10
COOK COUNTY, ILLINOIS
STATEMENT OF NET ASSETS
PROPRIETARY FUND - COOK COUNTY HEALTH AND HOSPITAL SYSTEM FUND
November 30, 2011

		Business-type Activities - CCHHS Fund
ASSETS:		
CURRENT ASSETS:		
Cash and investments	$	121,542,927
Taxes receivable (net of allowance for loss of $5,960,134)		
Tax levy - current year		114,895,234
Tax levy - prior year		10,175,244
Total tax receivable		125,070,478
Accounts receivable -		
Patient accounts receivable, net of allowance for doubtful accounts of $529,887,369		87,339,969
Due from others -		
Settlements under third-party programs		7,730,925
Other receivables		1,029,457
Due from other governments		33,593,277
Total accounts receivable		129,693,628
Inventories		3,560,213
Total current assets		379,867,246
NONCURRENT ASSETS:		
Property and equipment, net		456,161,524
Total noncurrent assets		456,161,524
Total assets	$	836,028,770
LIABILITIES AND NET ASSETS:		
CURRENT LIABILITIES:		
Accounts payable	$	57,510,736
Accrued salaries payable		20,123,651
Accrued vacation		42,167,909
Deferred revenue		80,246,730
Due to General Fund		43,455
Due to others		71,608
Trust funds		50,859
Total current liabilities		200,214,948
LONG TERM LIABILITIES:		
Property tax objections		10,445,572
Total long term liabilities		10,445,572
Total liabilities		210,660,520
NET ASSETS:		
Invested in capital assets		456,161,524
Restricted		1,058,593
Unrestricted		168,148,133
Total net assets		625,368,250
Total liabilities and net assets	$	836,028,770

The notes to the financial statements are an integral part of this statement.

Exhibit 11
COOK COUNTY, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND - COOK COUNTY HEALTH AND HOSPITAL SYSTEM FUND
For the Year Ended November 30, 2011

	Business-type Activities - CCHHS Fund
OPERATING REVENUES:	
Net patient service revenue (net of provision of $424,509,602)	$ 534,604,567
Miscellaneous	22,805,816
Total operating revenues	557,410,383
OPERATING EXPENSES:	
Salaries and wages	506,552,281
Employee benefits	148,058,082
Supplies	114,960,567
Purchased services, rental and other	174,017,838
Insurance	34,879,900
Depreciation	33,893,513
Utilities	13,797,519
Services contributed by other County offices	3,743,972
Total operating expenses	1,029,903,672
OPERATING LOSS	(472,493,289)
NONOPERATING REVENUES:	
Property taxes	114,244,985
Sales taxes	122,176,295
Cigarette taxes	20,575,441
Investment income	22,890
Retirement plan contribution	58,676,600
Total nonoperating revenues	315,696,211
Net loss before transfers and capital contributions	(156,797,078)
Transfers in	38,386,097
CAPITAL CONTRIBUTIONS	16,658,986
Change in net assets	(101,751,995)
NET ASSETS - Beginning	727,120,245
NET ASSETS - Ending	$ 625,368,250

The notes to the financial statements are an integral part of this statement.

Exhibit 12
COOK COUNTY, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - COOK COUNTY HEALTH AND HOSPITAL SYSTEM FUND
For the Year Ended November 30, 2011

	Business-type Activities - CCHHS Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from third-party payors and patients	$ 508,861,425
Payments to employees	(599,792,948)
Payments to suppliers	(325,358,590)
Other receipts	30,886,549
Net cash used in operating activities	(385,403,564)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Borrowings from Working Cash Fund	79,000,000
Repayment of borrowings from Working Cash Fund	(79,000,000)
Real and personal property taxes received, net	194,566,905
Sales taxes received	131,985,483
Cigarette taxes received	20,575,441
Transfers from other County funds	34,642,125
Net cash flows from noncapital financing activities	381,769,954
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	22,890
Net cash flows from investing activities	22,890
CHANGE IN CASH AND CASH EQUIVALENTS	(3,610,720)
CASH AND CASH EQUIVALENTS - Beginning	125,153,647
CASH AND CASH EQUIVALENTS - Ending	$ 121,542,927
NON-CASH TRANSACTIONS:	
Transfers - capital	$ 16,658,986
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	$ (472,493,289)
Adjustments to reconcile loss from operations to net cash used in operating activities:	
Depreciation	33,893,513
Provision for bad debts	424,509,602
Retirement plan contribution	58,676,600
Services contributed by other County offices	3,743,972
Change in assets and liabilities:	
Patient accounts receivable	(448,789,418)
Third-party settlements	(783,574)
Other receivables	4,645,029
Inventories	2,135,809
Accounts Payable	5,325,223
Accrued salaries, compensated absences, wages, and other liabilities	(3,526,504)
Compensated absences	(186,639)
Deferred revenue	4,301,321
Due to other funds	306,358
Due to others	46,471
Trust funds	(10,195)
Reserve for tax objection suits	2,802,157
Net cash used in operating activities	$ (385,403,564)

The notes to the financial statements are an integral part of this statement.

Exhibit 13
COOK COUNTY, ILLINOIS
STATEMENT OF FIDUCIARY NET ASSETS
November 30, 2011

ASSETS:		**Total Pension Trust**		**Total Agency Funds**
Cash	$	3,651,478	$	534,269,166
Receivables -				
Employer contributions (property taxes)		208,125,986		-
Employee contributions		5,102,986		-
Accrued interest		24,598,911		-
Due from others		118,241,606		9,464,612
Due from other funds		-		5,446,573
Investments -				
Short term investments		908,806,760		9,960,974
U.S. Government obligations		1,969,108,673		54,625
Corporate bonds		755,644,972		-
Equities		3,343,214,846		1,345,689
Fixed income mutual funds		-		6,798,058
Alternative investments		272,948,895		-
Other		-		5,530,332
Total Investments		6,340,917,386		23,689,678
Collateral held for securities on loan		749,798,729		-
Other assets		9,477,147		-
Total assets		8,368,720,989		572,870,029
LIABILITIES:				
Accounts payable		164,605,737		-
Health insurance payable		6,413,043		-
Due to other governments		-		295,256,454
Due to others		-		277,613,575
Securities lending liabilities		756,458,959		-
Total liabilities		927,477,739		572,870,029
NET ASSETS:				
Net assets held in trust for pension benefits	$	7,441,243,250	$	-

The notes to the financial statements are an integral part of this statement.

Exhibit 14
COOK COUNTY, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the Year Ended November 30, 2011

	Total Pension Trust
ADDITIONS:	
Contributions -	
Employer	$ 195,337,621
Plan members	127,577,473
Total contributions	322,915,094
Investment income	
Net depreciation in	
fair value of investments	(108,798,586)
Dividends	88,803,655
Interest	107,036,379
Limited partnership income	9,806,225
Total Investment Income	96,847,673
Less investment expense	(16,653,790)
Net investment income	80,193,883
Securities lending	
Income	3,064,099
Expenses	(556,949)
Net securities lending income	2,507,150
Other	
Federal subsidized programs	3,499,803
Medicare Part D subsidy	6,140,946
Miscellaneous	209,220
Prescription plan rebates	2,578,088
Early Retirement Reinsurance Program reimbursement	5,514,845
Employee transfers	(328,586)
Total other additions	17,614,316
Total additions	$ 423,230,443
DEDUCTIONS:	
Benefits	
Annuities	
Employee	$ 429,527,599
Spouse and children	33,003,057
Disability benefits	
Ordinary	13,290,425
Duty	671,206
Group hospital premiums	46,904,340
Total benefits	523,396,627
Refunds	29,165,335
Net administrative expenses	4,078,843
Total deductions	556,640,805
CHANGE IN NET ASSETS	(133,410,362)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
Beginning of year, as restated	7,574,653,612
End of year	$ 7,441,243,250

The notes to the financial statements are an integral part of this statement.

Exhibit 15
COOK COUNTY, ILLINOIS
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
November 30, 2011

	Component Units		
	Forest Preserve District December 31, 2011	Emergency Telephone Systems	Total Component Units
ASSETS:			
Cash and investments	$ 260,003,348	$ 5,478,083	$ 265,481,431
Restricted investments	8,465,746	-	8,465,746
Accounts receivable:			
Due from others	749,693	948,823	1,698,516
Tax Levy - current year	64,536,417	-	64,536,417
Other assets	32,246,302	25,021	32,271,323
Deferred bond issuance costs	1,262,345	-	1,262,345
Inventory	5,820,000	-	5,820,000
Capital assets, not being depreciated	225,043,187	-	225,043,187
Capital assets, net of accumulated depreciation	323,348,517	242,000	323,590,517
Total assets	$ 921,475,555	$ 6,693,927	$ 928,169,482
LIABILITIES:			
Accounts payable	15,260,579	67,253	$ 15,327,832
Accrued salaries payable	3,462,156	496,503	3,958,659
Deferred revenue-other	79,456,816	-	79,456,816
Other liabilities	16,317,543	417,192	16,734,735
Long-term obligation, due within one year	9,292,867	-	9,292,867
Long-term obligation, due in more than one year	229,588,767	-	229,588,767
Total liabilities	353,378,728	980,948	354,359,676
NET ASSETS:			
Invested in capital assets, net of related debt	397,101,610	242,000	397,343,610
Restricted for:			
Debt service	12,542,710	-	12,542,710
Capital projects	30,323,302	5,470,979	35,794,281
Contributor programs	73,697,000	-	73,697,000
Unrestricted	54,432,205	-	54,432,205
Total net assets	$ 568,096,827	$ 5,712,979	$ 573,809,806

The notes to the financial statements are an integral part of this statement.

Exhibit 16
COOK COUNTY, ILLINOIS
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Year Ended November 30, 2011

		Program Revenues		
	Expenses	Licenses, fees & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Forest Preserve District	$ 173,382,856	$ 48,811,305	$ 29,509,700	$ -
Emergency Telephone Systems	2,143,468	2,527,531	-	-
Total component units	$ 175,526,324	$ 51,338,836	$ 29,509,700	$ -

General revenues
Taxes:
Property taxes
Personal property replacement tax
Investment income
Miscellaneous revenue
Total general revenues
Change in net assets
Net assets - Beginning
Net assets - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Forest Preserve District	Emergency Telephone Systems	Total Component Units	
			Functions/Programs
$ (95,061,851)	$ -	$ (95,061,851)	Forest Preserve District
-	384,063	384,063	Emergency Telephone Systems
$ (95,061,851)	$ 384,063	$ (94,677,788)	Total component units
			General revenues
			Taxes:
$ 89,029,836	$ -	$ 89,029,836	Property taxes
7,003,563	-	7,003,563	Personal property replacement tax
(5,517,668)	10,460	(5,507,208)	Investment income
2,146,190	-	2,146,190	Miscellaneous revenue
92,661,921	10,460	92,672,381	Total general revenues
(2,399,930)	394,523	(2,005,407)	Change in net assets
570,496,757	5,318,456	575,815,213	Net assets - Beginning
$ 568,096,827	$ 5,712,979	$ 573,809,806	Net assets - Ending

SEAL OF COOK COUNTY
JANUARY 1831
ILLINOIS

COOK COUNTY, ILLINOIS

NOTES TO BASIC FINANCIAL STATEMENTS

November 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cook County, Illinois (the "County"), a home rule unit under the Illinois Constitution of 1970, was created by the State of Illinois in 1831. The County is managed by 17 Commissioners elected from single member districts for four-year terms. The President of the County Board of Commissioners (the "County Board") is also elected and serves as the chief executive officer; she/he may also be elected as a Commissioner. Currently, the President is not a Commissioner. All 17 Commissioners serve as the legislative body.

The accompanying financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB).

The County implemented the following GASB Statements in the 2011 fiscal year:

- GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions."

- GASB Statement No. 59, "Financial Instruments Omnibus."

- GASB Statement No. 61, "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34," was implemented in advance by the County.

Management is currently assessing the impact that the adoption of the following GASB Statements will have on the County's future financial statements, which are not implemented and not required for the fiscal year ended November 30, 2011:

- GASB Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans," will become effective for the County in fiscal year 2012.

- GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements," will become effective for the County in fiscal year 2013.

- GASB Statement No. 62, "Codification of Accounting and Financial Reporting Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements," will become effective for the County in fiscal year 2013.

- GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position," will become effective for the County in fiscal year 2013.

- GASB Statement No. 64, "Derivative Investments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53," will become effective for the County in fiscal year 2012.

- GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," will become effective for the County in fiscal year 2014.

- GASB Statement No. 66, "Technical Corrections- 2012," will become effective for the County in fiscal year 2014.

A. Financial Reporting Entity

As required by GAAP, these financial statements present the County (the primary government) and its component units, the Forest Preserve District of Cook County, the Cook County Emergency Telephone System, and the County Employees' and Officers' Annuity and Benefit Fund. As used both on the face of the financial statements and in the footnotes, the term "Primary Government" includes both County funds and any Blended Component Units while the term "Component Units" includes only Discretely Presented Component Units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Discretely Presented Component Units

The following two component units have been discretely presented due to the nature and significance of their relationship to the County as described below:

1. The Forest Preserve District of Cook County, Illinois (the "District") was established pursuant to Illinois Compiled Statutes (Chapter 40, Act 5, Sections 9-101 to 10-108) on July 1, 1914. The District is governed by the same Board of Commissioners that currently serve as members of the County's Board or Forest Preserve District Board of Commissioners (the "District Board"). The President of the District appoints management positions and has authority for budgets, fiscal management and the setting of charges and fees for the use of forest preserve facilities. As a separate taxing body the District is subject to its own statutory tax rate limitations. The District has the power to create forest preserve facilities and may issue debt secured by the full faith and credit of the District. The County is not responsible for financing operating deficits or debt service of the District and there is no benefit/burden relationship between the District and the County, nor does the County have operational responsibility for the District. The boundaries of the District are coterminous with the boundaries of the County. The District's financial statements for the fiscal year ended December 31, 2011, are discretely presented in the County's financial statements based on GASB Statement No. 61.

2. The Cook County Emergency Telephone System (the "System") is a venture established by resolution of the Cook County Board of Commissioners in accordance with the Emergency Telephone System Act of the Illinois Compiled Statutes. The County Board and the Sheriff's Office appoint the System's board members. The System was organized for the purpose of providing equipment, services, personnel, facilities and other items necessary for the implementation, operation, maintenance and repair of the E-911 Emergency Telephone System within the unincorporated portions of the County and the municipalities of Robbins, Ford Heights, Stone Park, Northlake, Golf, Phoenix, and Dixmoor, Illinois. The System, for the fiscal year ended November 30, 2011, is presented on the accrual basis of accounting as defined by GASB.

The Housing Authority of the County of Cook (the "Authority" or "HACC") is the second largest public housing authority in Illinois. The Authority is a municipal corporation that was established in 1946 to serve 108 communities, as well as unincorporated areas in suburban Cook County. Funding is provided by the Federal Government through the Department of Housing and Urban Development ("HUD"). The Board of Commissioners of the Authority is comprised of individuals who are appointed by the Cook County Board President and confirmed by the full County Board for five-year terms. The Authority is not considered a discretely presented component unit or blended component unit of the County; however, under GASB Statement No. 14, "The Financial Reporting Entity" the County considers the Authority to be a related organization. The County is not aware of any other significant operational or financial control over the Authority that would require the Authority's financial activity to be presented in the County's financial statements.

The County is not aware of any other entity over which it exercises significant operational or financial control which would result in the entity being blended or discretely presented in the County's financial statements.

Although the County Employees' and Officers' Annuity and Benefit Fund is a legally separate entity for which the County is not financially accountable, it is included in the County's basic financial statements as fiduciary funds (Pension Trust and Other Post-Employment Benefits (OPEB) Trust). The nature and significance of the Pension Trust and OPEB Trust Funds' relationship with the County is such that exclusion would render the County's financial statements misleading. The County Employees' and Officers' Annuity and Benefit Fund are defined benefit, single-employer pension and OPEB plans established by Illinois Compiled Statutes (Chapter 40, Acts 5/9 and 5/10). The County's Retirement Board is the administrator of the County Employees' and Officers' Annuity and Benefit Fund and consists of nine members, two of whom are appointed and seven of whom are elected. The Trust Funds are maintained and operated for the benefit of the employees and officers of the County. As a result, the Trust Funds are financed by investment income, employees' payroll deductions and employer contributions (property taxes levied and collected by the County).

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the County and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for services. Likewise, the primary government is reported separately from its discretely presented component units for which the primary government is financially accountable.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the inter-fund services provided and other charges between the County's governmental activities and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identified with a specific function or segment.

Program revenues include:

1) Licenses, fees and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

2) Operating and capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting system of the County, which is maintained by the County Comptroller (the "Comptroller") is a fund system implemented to present the financial position and the results of operations of each fund. It is also designed to provide budgetary control over the revenues and expenditures of each fund. Separate funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Each fund is an independent fiscal and accounting entity made up of a self-balancing set of accounts, recording cash and other financial resources, together with all related liabilities and residual balances, and changes therein.

Accounting records for the Forest Preserve District, the Trust Funds, and the various fee offices are maintained by these respective entities.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Revenues such as property taxes, non-property taxes, investment income and miscellaneous in the governmental fund financial statements are reported as general revenues on the government-wide statement of activities. Revenues such as fees and licenses, Federal government grants, State of Illinois (the "State") grants and charges for services are reported as program revenues on the government-wide statement of activities.

Governmental fund financial statements are reported using the flow of *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized when measurable and available for financing current obligations. Accordingly, property taxes are recognized as deferred revenue in the year of levy and as revenue in the subsequent year when the taxes are collected within the current period, or 60 days thereafter. Uncollected taxes are written off by the County at the end of the fiscal year immediately following the year that the taxes become due. County sales tax revenues are recorded in the accounting period when they are measurable and available. Accordingly, sales tax amounts that are held by the State at the County's fiscal year-end and are transmitted to the County within 60 days of fiscal year-end have been recorded as fiscal year 2011 revenues. Amounts related to the current fiscal year but not collected within the first 60 days are recorded as deferred (unavailable) revenue. Home Rule taxes, except for cigarette taxes, assessed by the County (use, gasoline, parking, alcohol, amusement, etc.) are reported as revenues for the month of assessment as such amounts are collected by the County generally within 30 days of month-end (e.g. taxes assessed in November and collected in December are recorded as November revenue). For most Federal and State grants, reimbursements from other governments are recognized as revenue when collected if received within 60 days of fiscal year-end and the County has met all eligibility requirements. Interest on investments is recognized when earned. All other revenues (fees, fines, cigarette taxes, etc.) are recognized when collected by the County or its agencies on the cash basis.

Expenditures, other than long-term debt and similar obligations are recognized when obligations are incurred in governmental fund financials.

In the fund financial statements, proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenue of the Cook County Health and Hospital System ("CCHHS") enterprise fund is charges to patients for services performed. Operating expenses of the CCHHS include the cost of services, administrative expenses, and depreciation on capital assets.

Unrestricted resources arise from normal operations. Restricted resources are resources whose use has been limited by laws and regulations, donors, grantors, debt covenants and county enabling legislation. Restricted funds are accounted for in specific accounts until expended for their identified purpose, at which time they are reported as expenses.

Governmental Funds

The County reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources not accounted for and reported in another fund. There are five accounts used by the County for General Fund financial resources: the Corporate Account, the Public Safety Account, the Self Insurance Account, the Emergency Management Agency Account and the Capital Litigation Account. The Corporate Account includes all revenues and expenditures attributable to government management and supporting services; control of environment; assessment, collection and distribution of taxes; election; economic and human development and transportation. The Public Safety Account includes the revenues and expenditures attributable to the protection of persons and property (corrections and courts), government management and supporting services and revenues and expenditures of the Medical Examiner. The Self Insurance Account is used to account for all of the County's risks, including medical malpractice, worker's compensation, general, automobile and other liabilities. The Emergency Management Account includes activities pertaining to the County's emergency preparedness program. The Capital Litigation Account includes activities pertaining to the litigation of death cases.

Motor Fuel Tax Fund – The Motor Fuel Tax Fund was established to provide for the design, construction and maintenance of streets, roads and highways. Revenues are derived from reimbursements from the State, the Federal Government, other governments and other miscellaneous sources. The major portion of the revenue is derived from the County's share of the State's Motor Fuel Tax on gasoline which is restricted for road/highway construction and improvements.

Annuity & Benefit Fund - The Annuity and Benefit Fund was established to account for the yearly revenues and expenditures to fund the County pension fund. Revenues are derived from dedicated tax levies and interest earnings.

Capital Projects Fund – The Capital Projects Fund is used to account for the acquisition, construction and renovation of major capital facilities of the County. The Capital Projects Fund includes the following accounts: transportation, government management and supporting services, protection of health, corrections and courts.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources to pay principal and interest, when due, of the debt incurred by the County.

Proprietary Funds

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The Proprietary Funds have chosen to not apply FASB pronouncements issued after November 30, 1989, pursuant to paragraph 7 of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting.*

The County reports the following proprietary fund:

Enterprise Fund – The Enterprise Fund is used to account for certain costs of operating CCCHS. In May 2008, the County Board created the Cook County Health and Hospitals System Board (the "CCHHS Board") to provide independent oversight of health care operations. The CCHHS Board is accountable to the County Board. The CCHHS Board and the Ordinance were originally scheduled to terminate in three years. In May of 2010, the County Board of Commissioners voted to make the CCHHS Board permanent. The CCHHS includes the following entities: John H. Stroger, Jr. Hospital of Cook County, Provident Hospital of Cook County, Oak Forest Health Center, Cermak Health Services, the Cook County Department of Public Health, the Cook County Bureau of Health Services and the Ambulatory and Community Health Network of Cook County.
The operations and activities of the CCHHS are greatly subsidized by the County as CCHHS continues to incur significant operating losses due to declining federal reimbursements, dependency on Illinois Medicaid payments, a large self-pay patient population, and rising labor and medical costs. The Cook County Board of Commissioners remain committed to the continued mission of CCHHS and through the adopted budget process in fiscal year 2011 approved 30.7% of revenue from other resources in order for CCHHS to complete funding of the adopted budget, such as property tax, sales tax, cigarette tax and proceeds from debt restructuring savings. Certain significant activities/costs are paid directly by County governmental funds including debt principal and interest, capital assets acquisition/construction, pension and

related benefits, insurance claims and contributed services. If all CCHHS expenses and liabilities were recorded in the Enterprise Fund, the reduction in CCHHS' net assets would be significant.

(1) Net Patient Service Revenue

A significant amount of the CCHHS net revenue from patient services is derived from the Medicaid and Medicare programs. Payments under these programs are based on a specific amount per case, or on a contracted price or costs, as defined, for rendering services to program beneficiaries.

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payers and others for services rendered. Retroactive adjustments under reimbursement agreements with third-party payers are accrued in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

(2) Charity Care

The John H. Stroger, Jr. Hospital, Oak Forest Health Center, Provident Hospital and the Ambulatory and Community Health Network of Cook County treat patients in need of medical services without regard to their ability to pay. These entities maintain records to identify and monitor the level of charity care they provide. These records include the amount of charges forgone for services and supplies furnished, as well as the estimated costs incurred for charity care services. During fiscal year 2011, the following levels of charity care were provided:

Charges forgone for charity care	$ 193,740,410
Estimated costs incurred for charity care	$ 157,323,097

During fiscal year 2011, the CCHHS's payer utilization was as follows, based on gross patient service revenue:

Self-Pay	58 %
Medicaid	29 %
Medicare	10 %
Other	3 %
	100 %

(3) Interagency Transfer Agreements

The CCHHS receives enhanced Medicaid reimbursement by means of an Interagency Agreement (the "Agreement") between the County Board and the Illinois Department of Healthcare and Family Services ("DHFS"). Under terms of the Agreement, DHFS will direct additional funding to the CCHHS for inpatient and outpatient services based on per diem and per visit cost reimbursement methodologies. In addition, the Agreement requires DHFS to provide the CCHHS additional funding to assist the CCHHS in offsetting the cost of its uncompensated care. Such adjustment amounts include federal matching funds.

Under the terms of the Secondary Interagency Agreement (collectively, the "Agreements"), CCHHS received $284,312,376 additional payments from DHFS during the fiscal year ended November 30, 2011. Of the amount received, $76,957,069 is unearned and included in deferred revenue on the balance sheet. Such deferred revenue is excluded from net patient service revenue and represents amounts to be earned during December through June 2012, the last seven months of the State of Illinois's 2012 fiscal year. Included in net patient service revenue as earned is $283,300,717 which takes into consideration the prior year deferral of $75,945,409.

Reimbursement under the Agreements will automatically terminate if federal funds under Title XIX are no longer available to match amounts collected and disbursed according to the terms of the Agreements at the rate of at least 50%. The Agreements will also automatically terminate in any year in which the General Assembly of the State fails to appropriate or re-appropriate funds to pay DHFS's obligations under these arrangements or any time that such funds are not available. The Agreements can be terminated by either party upon 15 days' notice. Additionally, the Agreements require the parties to comply with certain laws, regulations, and other terms of operations.

Fiduciary Funds

The County reports the following fiduciary funds:

Pension Trust Fund and Postemployment Health Care Trust Fund – The Trust Funds are used to account for transactions, assets, liabilities and net assets available for the pension and Other Postemployment Benefits ("OPEB") of the County Employees' and Officers' Annuity and Benefit Fund of Cook County.

The Pension Trust Fund and Postemployment Health Care Trust Fund utilize the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

Agency Funds – The Agency Funds are used to account for resources received and held by the County as an agent for external parties. Agency Funds include amounts held by the following offices: the County Treasurer (the "Treasurer"), the Clerk of the Circuit Court, the County Sheriff, the State's Attorney, the Public Guardian, the Public Administrator, and Other Fee Offices.

D. Assets, liabilities, and net assets or equity

1. Cash and investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity date of three months or less from the date of acquisition.

(1) The County (all Funds other than the Fiduciary Funds):

The County has an ordinance that directs all elected and appointed officials to invest public funds in their possession for which they are the custodians in interest-bearing accounts and that amounts in excess of insured limits must be collateralized at 102%. In addition, the Federal Deposit Insurance Corporation's ("FDIC") temporary Transaction Account Guarantee Program ("TAGP") provides unlimited coverage for noninterest-bearing transaction deposit accounts at participating FDIC-insured institutions through December 31, 2011. Consequently, these noninterest-bearing transaction deposit accounts that are fully insured by FDIC's TAGP do not need to be collateralized for calendar year 2011.

The Treasurer has adopted an investment policy that limits the types of investments to be made for funds held by the Treasurer to the following investments authorized by the State's Public Fund Investment Act:

(a) Bonds, notes, certificates of indebtedness, Treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America (the "U.S.") as to principal and interest, which have a liquid market with a readily determinable market value;

(b) Bonds, notes, debentures or other similar obligations of the U.S. or its agencies;

(c) Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act (205 IL CS 5/1, *et seq.*) (including the Investment Advisor and its bank affiliates), *provided however*, that any such bank must be insured by the FDIC and be on the Treasurer list of approved financial institutions;

(d) Repurchase agreements whose underlying purchased securities consist of the foregoing instruments described in (a) through (c) above;

(e) Short-term obligations of corporations organized in the U.S. with assets exceeding $500,000,000, *provided however*, that such obligations are rated at the time of purchase within one of the three highest classifications established by at least two nationally recognized rating services, such obligations mature not later than 270 days from the date of purchase, and such purchases do not exceed 10% of the applicable corporation's outstanding obligation and *further provided, however*, that no more than one-third of the Treasurer's assets shall be invested in such short-term obligations at any one time.

(f) Money market mutual funds registered under the Investment Company Act of 1940, as from time to time amended (including those funds managed by the Investment Advisor and its affiliates), *provided however*, that the portfolio of any such money market fund is limited to obligations described in paragraph (a) or (b) above and to agreements to repurchase such obligations;

(g) Local government investment pools (such as the Illinois Funds or the Illinois Metropolitan Investment Fund) either State-administered or through joint powers statutes and other inter-governmental agreement legislation;

(h) Any other investment instruments now permitted by the provisions of the Investment Act or any other applicable statutes, or hereafter permitted by reason of the amendment of the Investment Act or the adoption of any other statute or ordinance applicable to the investment of County funds, provided that such instruments are approved in writing prior to purchase by the Investment Policy Committee.

The Treasurer's policy prohibits the purchase of financial forwards or futures contracts, any leveraged investments, lending securities, or reverse repurchase agreements.

The County's investments that have a maturity date of less than one year are reported at amortized cost, which approximates their fair value. Additionally, the County's investments in 2a7 money market funds and 2a7- like pools (Illinois Funds) are reported at amortized cost. All other investments are reported at fair value.

Temporary cash borrowings take place among the various operating funds. These inter-fund borrowings allow idle cash not currently required in some funds to be borrowed by other funds on a temporary basis. Since the County's operating bank accounts are maintained on a pooled basis, temporary inter-fund borrowings result from the issuance of checks in amounts in excess of the cash credited to the fund for which the check was issued. The County believes that prudent inter-fund borrowing of temporarily idle moneys constitutes an appropriate cash management practice since it reduces the need for external borrowings. Inter-fund borrowings are not made from cash accounts maintained for debt service or rental payments.

Working cash funds are maintained by the County. The money to establish and increase these working cash funds was obtained from the issuance of long-term bonds and from legally available County resources. Monies on deposit in the working cash funds are invested with the interest earnings being credited to the working cash funds. The working cash funds, as of November 30, 2011, totaled $209,459,085 of which $90,373,011 is for General, $95,147,154 for CCHHS and $23,938,920 for Election.

The County maintains separate and restricted trust accounts with trustees for almost all outstanding general obligation debt. These separate and restricted trust accounts are managed by the County's Office of the Chief Financial Officer. Current tax collections are transferred into individual trust accounts to satisfy the above liabilities as they become due. The County invests the principal in the accounts in accordance with the provisions of each bond ordinance. Investments are primarily investment grade commercial paper, certificates of deposit, treasury notes and money market funds.

(2) Agency Funds

The Agency Funds maintain their own cash and investment accounts to manage the various fiduciary responsibilities of the County. The funds are governed by the County's Taxpayers Interest Assurance Ordinance, which requires that all cash held by the fee offices be placed into interest-bearing bank accounts and for those amounts in excess of insured limits, to be collateralized at 102% except for economic reasons or if funds are prohibited by law from being invested (i.e. trust funds). The County's Public Guardian (Agency Fund) is the court appointed guardian of the assets of individuals deemed disabled and unable to control their estate. The Public Guardian does not actively manage the funds, but is simply a custodian. The investments are valued by the financial institutions/funds that manage the investments and are generally reported at fair value.

(3) Trust Funds

The Trust Funds are administered by the respective fund's Retirement Board and its cash and investments are held by a designated custodian. The Funds are authorized to invest in bonds, notes, certificates of indebtedness, mortgage notes, real estate, stocks, debentures or other obligations as set forth in the Illinois Compiled Statutes. Investments are reported at fair value, which generally represents reported market value as of the last business day of the year. Limited partnerships are carried at fair value as estimated by each partnership's general partner.

2. Receivables and Internal Balances

Inter-funds/Internal Balances – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Loans-Cook County HOME Investment Partnership Program (HOME) funds are awarded to eligible public, private or non-profit entities for the development of affordable housing within Suburban Cook County. These funds are awarded as loans with terms negotiated on a per-project basis. The County has established a formal program to monitor the status and repayment of these loans. In accordance with its policy, the County has recorded an allowance for loan losses for all loans past due 120 days or greater. The allowance as of November 30, 2011 totaled $1,480,044.

Property taxes –Following the approval of the Annual Appropriation Bill proceedings as adopted by the County Board, authorization is given to provide for the collection of revenue by direct taxes on real property. This is known as the tax levy and must be certified to and filed in the Cook County Clerk's (the "Clerk") Office. The real property taxes become a lien on property and a receivable as of January 1st in the budget year for which taxes are levied.

The County Assessor (the "Assessor") is responsible for the assessment of all taxable real property within the County, except for certain railroad property and pollution control, which is assessed directly by the State. One-third of the County is reassessed each year on a repeating triennial schedule established by the Assessor.

Property assessed by the County is subject to equalization by the State. The equalized value is added to the valuation of property assessed directly by the State (to which an equalization factor is not applied) to arrive at the assessment base used by the Clerk in determining the tax rate for the County's tax levy. By virtue of its Constitutional "home rule" powers, the County does not have a statutory tax limit, except as described below.

The County Board passed The Property Tax Relief Ordinance, which voluntarily restricts the growth in the aggregate real property tax levy for the General (Corporate and Public Safety Accounts) and the CCHHS funds, to the lesser of 5% or the Consumer Price Index for All Urban Consumers. The Bond and Interest levy, the Pension levy and Election levy are excluded from this ordinance.

Property taxes are collected by the County Collector (who is also the County Treasurer), who remits to the County its respective share of the collections. Taxes levied in one year normally become due and payable in two installments, on March 1st and the latter of August 1st or 30 days after the mailing of the tax bills during the following year. The first installment is an estimated bill equal to 55% of the prior year's tax bill. The second installment is for the balance of the current year's tax bill, and is based on the current levy, assessment and equalization, and any changes from the prior year in those factors. Railroad property taxes (based on the State's assessments) are due in full at the time the second installment is due. For the governmental fund financial statements, property tax revenue for fiscal year 2011 represents the amount of property taxes levied in fiscal year 2010 and collected in fiscal year 2011 and 60 days thereafter. Property tax receivable at November 30, 2011 represents the fiscal year 2011 taxes certified to the County Clerk in December 2011 and uncollected 2010 levy year taxes. The 2011 levy year taxes are intended to finance FY2011, and are recorded as revenue in the government wide statements (full accrual) even though the tax bills are prepared and collected in the next fiscal year.

Property, on which property taxes are unpaid after the due date (see above), is eligible to be sold at a public sale. If property sold for taxes is not redeemed within two years, the tax buyer receives a deed to the property.

The Annual Appropriation Bill of the County contains a provision for an allowance for uncollectible taxes. It is the County's policy to review this provision annually and to make adjustments accordingly.

On July 29, 1981 State law requiring additional procedures in connection with the annual levying of property taxes, became effective. The law states that, if an aggregate annual levy, exclusive of election costs and debt service requirements, is estimated to exceed 105% of the levy of the preceding year, a public hearing shall be held on the proposed increase. If the final levy as adopted exceeds 105% of the prior year's levy and exceeds the proposed levy specified in the notice, or is more than 105% of such proposed levy and no notice was required, notice of the adoption of such levy must be published within 15 days of the adoption thereof. No amount in excess of 105% of the preceding year's levy may be extended unless the levy is accompanied by a certification of compliance with the foregoing procedures. The express purpose of the law is to require published disclosure of an intention to adopt a levy in excess of the specified levels. The County, at public hearings on its 2011 budget, complied with this law.

During 1995, the State extended the provisions of the Property Tax Extension Limitation Law (the "Limitation Law") to non-home rule taxing districts in the County. Subject to specific exceptions, the Limitation Law limits the annual growth in property tax extensions for the District to (i) 5% for taxes extended in 1995 and (ii) the lesser of 5% or the percentage increase in the Consumer Price Index for All Urban Consumers during the calendar year preceding the relevant levy year for taxes extended in years after 1995.

All personal property taxes in the State of Illinois were abolished, effective January 1, 1979. A personal property replacement tax (the "PPRT") was enacted, effective July 1, 1979.

The PPRT represents an additional income tax for corporations (including certain utilities) at the rate of 2.5% of net taxable income; an additional income tax for trusts at the rate of 1.5% of net taxable income; a new income tax for partnerships and Subchapter S Corporations at the rate of 1.5% of net taxable income; and a new tax at the rate of 0.8% of invested capital for public utilities providing gas, communications, electrical and water services. Partnerships and Subchapter S Corporations previously had not been subject to the Illinois income tax.

The PPRT law provides that monies received by the County from the tax shall be applied, first, toward payment of the proportionate amount of debt service, which was previously levied and extended against personal property for bonds outstanding as of December 31, 1978, and, second, applied toward payment of the proportionate share of the pension or retirement obligations of the County which were previously levied and extended against personal property.

3. Inventories

Inventory (CCHHS) is valued at the lower of cost or market using the first in first out method.

4. Capital assets

Purchases of capital assets, for all funds other than the Enterprise Fund, are recorded as an expenditure of the fund from which the expenditure was made in the fund financial statements.

Capital assets, which include property, plant, equipment, intangible assets (easements, software) and infrastructure assets (e.g. roads, bridges, curbs and gutters, and sidewalks and lighting systems) are reported in the applicable governmental or business type activities columns in the government-wide financial statements and in the Enterprise Fund. Capital assets are defined, by the County, as assets with an initial individual cost of $5,000 or more ($1,000 for CCHHS) and an estimated useful life in excess of one year. Capital assets are recorded at cost. In the governmental activities, costs recorded do not include interest incurred as a result of financing asset acquisition or construction. Assets acquired by gift, bequest or through developer and other contributions are recorded at their fair market value at the date of acceptance. Upon sale or retirement, the cost of the assets and the related accumulated depreciation, if any, are removed from the accounts. Maintenance and repair costs are charged to operations.

Depreciation and amortization is provided over the estimated useful life of each class of assets. The estimated useful lives for assets are as follows:

Assets	Years
Building & Other Improvements	
Buildings	40
Building Improvements	20
Land Improvements	20
Machinery & Equipment	
Fixed Plant Equipment	10
Institutional Equipment	10
Medical Dental Lab Equipment	5
Telecommunications Equipment	5
Computer Equipment	5
Other Fixed Equipment	5
Furniture and Fixtures	10
Vehicle Purchases	5
Automotive Equipment	5
Infrastructure	
Bridges	50
Tunnels	50
Traffic Signals	5
Streets and Highways	20

Depreciation and amortization on capital assets included in the governmental type activities is computed on the straight-line method.

Depreciation and amortization is calculated on a straight-line method for all CCHHS assets, except John H. Stroger, Jr. Hospital (JSH) which used the 150% declining balance, on assets acquired prior to fiscal 2008. Beginning in fiscal 2008, new acquisitions at JSH are depreciated using the straight-line method for better cost allocation.

For all depreciable capital assets, one-half year's depreciation is taken in the year of acquisition.

At November 30, 2011, the County was in the process of numerous construction and renovation projects at the various CCHHS sites. The construction in progress is recorded by the governmental activities. Expenditures from the capital projects fund of the County were for equipment, which amounted to $16,658,986 for the fiscal year ended November 30, 2011, and are included in CCHHS as capital contributions.

5. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. In the fund and government-wide financial statements, the County defers revenue for resources that have been received but not yet earned.

6. Compensated Absences

Governmental and Business-type Activities – Employees can earn from 10 to 25 vacation days per year, depending on their length of employment with the County. An employee can accumulate no more than the equivalent of two years' vacation. Accumulated vacation leave is due to the employee, or employee's beneficiary, at the time of termination or death.

Salaried employees can accumulate sick leave at the rate of one day for each month worked, up to a maximum of 175 days. Accumulated sick leave is forfeited at the termination of employment; therefore, sick leave pay is not accrued and is charged as an expenditure/expense when paid.

Sick leave does not vest, but any unused sick and vacation leave, up to six months in duration, accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes.

Employees may be assigned to overtime work (i.e. compensatory time) provided that such overtime shall be limited to either emergency condition which cannot be deferred and which cannot be performed with the personnel available during normal work hours, or because of an abnormal peak load in the activities of the institutions or department. A maximum of 260 hours of compensatory time can be accumulated at any given point. Banked compensatory time is expected to be used during the year, not carried from year to year. Accumulated banked compensatory time is due to the employee, or employee's beneficiary, at the time of termination or death.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term debt obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which does not differ materially from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Principal and interest payments are recorded as expenditures when due.

The County in the past has entered into interest rate swap agreements to modify interest rates on outstanding debt. If the County enters into another swap, the net interest expenditures resulting from these arrangements would be recorded as interest expense. The fair value of derivative instruments that would be deemed to be effective would be accounted for as deferred outflows. Derivative instruments that are deemed not effective would be adjusted to fair value with the change in fair value recorded to investment earnings. All interest rate swaps are approved by the Board.

General obligation bonds and other forms of long-term debt supported by general revenues are obligations of the County as a whole and not of the individual constituent funds of the County. General obligation debt proceeds may be used to finance CCHHS projects, but are not recorded as liabilities in the Business-Type Activities. Un-matured obligations of the County are recorded as noncurrent liabilities in the Statement of Net Assets.

8. Fund Balances / Net Assets

Effective December 1, 2010, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. In addition, GASB 54 modified certain fund type definitions. Pursuant to this guidance, the County was required to report fund balances previously reported as nonmajor special revenue funds, as part of the general fund. As a result, the County restated its beginning fund balance in the general fund in order to properly reflect the reclassification of funds previously reported as special revenue funds (see Note IX).

In the General Fund, it is the County's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned) fund balances are available, followed by committed and then assigned resources. Unassigned amounts are used only after the other resources have been used. In all other governmental funds, it is the County's policy to consider restricted resources to have been spent last when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned) resources are available. In those funds, the County considers assigned resources to have been spent first, followed by committed and then restricted resources.

Within the governmental fund types, the County's fund balances are reported in one of the following classifications:

Nonspendable – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact.

Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The County's highest level of decision-making authority rests with the County Board. The County Board passes Ordinances and Resolutions to commit their fund balances.

Assigned – includes amounts that are constrained by the County's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the County Board itself; or b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes. The County has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned.

Unassigned – includes the residual fund balance that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

In the government-wide and proprietary fund statements of net assets, equity is displayed in three components as follows:

Invested in Capital Assets, net of related debt – This consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds and other debt that are attributable to acquisition, construction or improvement of the assets.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Net assets for governmental activities follow the policy for the use of restricted and unrestricted resources outlined above. For Enterprise Funds and Business-type activities, the County considers restricted resources to have been spent first when an expense is incurred for which both restricted and unrestricted resources are available.

9. Cash Flows

For purposes of the Statement of Cash Flows, the County considers all unrestricted, highly liquid investments with a maturity date of three months or less from the date of purchase to be cash equivalents. Restricted investments consist of investments with a maturity date greater than three months from the date of purchase.

10. Indirect Costs

Indirect costs are charged to various Federal programs, State programs and other funds based on a formal plan developed annually by the County. These costs are reflected as expenditures/expenses in those funds benefiting from the services provided and as reimbursements to the General Fund, which provides the services.

11. Use of Estimates

The preparation of financial statements, in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

12. Governmental Activities Column Statement of Net Assets

The Governmental Activities column for the County excludes debt related to business-type activities in the "Invested in capital assets, net of related debt" line item. The County issues debt to finance construction projects for its business-type activities (CCHHS); however, the CCHHS owns the assets and the County retires the debt. The Statement of Net Assets reports an adjustment column to properly reflect the entity wide investment in capital assets, net of related debt.

13. Separately Issued Reports

Copies of this report and all other documents referred to herein, as well as copies of the Single Audit Report may be obtained from the Office of the Chief Financial Officer, Cook County Building, 118 North Clark Street, Room 1127, Chicago, Illinois 60602.

Copies of the Health and Hospitals Systems Report can be obtained from the Chief Financial Officer, 1900 West Polk, Room 505, Chicago, Illinois 60612.

Copies of the Annual Appropriation Bill and the financial statements of the Forest Preserve District may be obtained from the office of the Chief Financial Officer of the Forest Preserve District, 69 West Washington, Suite 2060, Chicago, Illinois 60602.

Copies of the financial statements and actuarial reports of the Pension Funds may be obtained from the office of the Executive Director of the Cook County and Forest Preserve District Employees' and Officers' Annuity and Benefit Funds, 33 North Dearborn, Chicago, Illinois 60603.

Copies of the Financial Statements of the Emergency Telephone System can be obtained at the Cook County Emergency Telephone System Board-911, 9511 West Harrison Street, Des Plaines, Illinois 60016.

II. Stewardship, compliance, and accountability

A. Budgetary information

(1) The County

The development of the annual budget begins with each department submitting a detailed request for appropriation. Meetings are subsequently held by the President of the County Board and Bureau of Finance staff with each department and elected official to review their budget requests. Based on overall budgetary requests and available resources, the Budget Director, with approval from the Chief Financial Officer (the "CFO"), prepares an executive budget which is submitted to the President of the County Board for approval. Concurrent with this process, the CFO, the Comptroller, and the Budget Department prepare an estimate of revenues and other resources available for appropriations.

The executive budget recommendation, as approved by the President, is submitted to the County Board's Committee on Finance, which in turn holds public hearings with each department and elected official.

After public hearings on the executive budget are completed, the Committee on Finance recommends the budget to the County Board with such amendments, as it may deem appropriate. The County Board, along with any further approved amendments that may be decided upon by the County Board then approves the budget in the form of the Appropriation Ordinance. The Annual Appropriation Ordinance must be adopted before March 1st of the current fiscal year.

The fiscal year budget is prepared on a budgetary accounting basis in which the current year's encumbrances are treated as expenditures of the current period on the budgetary operating statements. Annual budgetary appropriation accounts are established for the General Fund, certain budgeted Special Revenue Funds, the Debt Service Fund and the CCHHS. These appropriation accounts represent the maximum expenditures authorized during the fiscal year, and they cannot legally be exceeded unless subsequently amended by the County Board. Unexpended and unencumbered appropriations lapse at the end of each fiscal year. Unencumbered balances in the various fund accounts of the County and other fund accounts may be inadequate to pay for services already rendered because of unforeseen commitments at the time the Annual Appropriation Ordinance is passed. The Comptroller and the Treasurer are authorized by the County Board to use these unexpended balances as transfers so that fund deficiencies may be appropriately adjusted. The Capital Projects Fund applies project length budgets for fiscal control. The level of control where expenditures may not exceed the budget is activity level of each fund.

Governmental grants and other non-budgeted special revenue funds are not budgeted within the annual budgeting process, as discussed above. The County controls expenditures from non-budgeted funds by monitoring cash balances through its accounting and cash disbursement system. Any Non-budgeted Debt Service Fund expenditures, which arise after the passage of the budget, are determined by the terms of specific bond indentures.

The County Board is authorized to amend the Annual Appropriation Ordinance by approving appropriation line item transfers within a department's budget or intra-fund transfers between departments. The Budget Director can execute such transfers under $10,000 without requiring action from the County Board. Total appropriations for each fund cannot be changed unless the County Board approves a supplemental appropriation. Supplemental appropriation ordinances are approved when matched with estimated appropriable resources. During the fiscal year ended November 30, 2011, the County Board approved no supplemental appropriations.

(2) Budgetary basis of accounting

The accompanying Statements of Revenues, Expenditures and Encumbrances - Budget and Actual have been prepared on a legally prescribed budgetary basis of accounting that differs from GAAP. The significant differences in accounting practices between the operating statements presented under GAAP and the budgetary operating statements include:

- Property tax levies are recognized as revenue in the budgetary statements in the year levied. The operating statements prepared under GAAP recognize property tax levies as revenue when they become measureable and available.

- Expenditures related to specific property tax levies (i.e. pension obligation, principal and interest on general obligation bonds, rental obligations, and allowances for uncollectible taxes) are recognized in the budgetary statements in the year the taxes are levied. The GAAP operating statements recognize these expenditures when the related liability is incurred with the exception of principal and interest on general long-term debt, which is recognized when due.

- Encumbrances are combined with expenditures in the budgetary statements but are excluded in the GAAP operating statements.

- Revenue is recognized when received in the monthly budgetary statements, while the GAAP operating statements recognize these items when measurable and available for financing current obligations.

The following schedule provides a reconciliation of the change in fund balance on the budgetary basis to the change in fund balance on a GAAP basis:

	General Fund	Motor Fuel Tax Fund	Annuity & Benefit Fund
Change in fund balances - GAAP basis from Exhibit 5	$ 136,291,545	$ 22,731,385	$ -
Effect of deferring 2011 property tax levy	47,503,481	-	(5,517,753)
Effect of accruing certain revenue	(8,695,811)	12,202,706	5,140,684
Effect of not including encumbrances as expenditures	12,628,360	(3,760,702)	377,069
Effect of excluding unbudgeted transfers	(130,421,056)	-	-
Revenues and other financing sources over expenditures and encumbrances and other financing uses - budgetary basis from Exhibits 7, 8 & 9 respectively	$ 57,306,519	$ 31,173,389	-

B. Excess of expenditures over appropriations

For the year ended November 30, 2011, expenditures exceeded appropriations (non GAAP budget basis) for the funds listed below. This over-expenditure will be funded through future revenues.

Fund	Expense Type	over-expenditure
County Law Library	Courts	$ (780,584)
Circuit Court Automation	Courts	(216,201)
Cook County Emergency Telephone System Board	Corrections	(276,351)
Clerk of the Circuit Court Administrative	Courts	(27,815)
GIS Fee	Government Management Support Services	(19,563)
Recorder of Deeds Rental Housing Support Fee	Government Management Support Services	(19,905)
Chief Judge Children's Waiting Room	Courts	(113,217)
General	Corrections	(28,297,067)
General	Assessment and Collection of Taxes	(794,708)
General	Economic and Human Development	(68,500)
TOTAL		**$ (30,613,911)**

C. Deficit fund equity

The following information provides deficit fund balances at November 30, 2011:

Nonmajor Governmental Funds -		
County Law Library	$	(2,710,765)
Circuit Court Automation		(1,211,135)
Cook County Emergency Telephone System		(932,790)
Chief Judge Juvenile Justice		(13,022,366)
Clerk of the Circuit Court Administrative		(83,640)
State's Attorney Narcotics Forfeiture		(1,072,177)
CJ Children's Waiting Room		(349,987)

The deficits in the Non-Major Governmental funds listed above will be financed through future revenues.

III. Detailed notes on all funds

A. Deposits and investments

(1) The County

As of November 30, 2011, the County had the following investments:

Investment Type	Investment Maturities (in Years)			
County Funds	**Less Than 1**	**1 - 5**	**6 - 20**	**Fair Value**
U.S. Treasuries	$ 24,709,719	$ 14,374,075	$ -	$ 39,083,794
Federal Home Loan Bank	25,488,318	-	-	25,488,318
Freddie Mac	-	2,101,871	-	2,101,871
Fannie Mae	35,519,361	-	8,291,878	43,811,239
Repurchse agreements	12,288,476	-	-	12,288,476
State & Local Goverments (SLG)	3,770,328	5,303,835	-	9,074,163
Total	$ 101,776,203	$ 21,779,781	$ 8,291,878	$ 131,847,861

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's Investment Policy prohibits the purchase of securities except for tax anticipation warrants, municipal bonds, notes, commercial paper, or other debt instruments.

Credit Risk. The County Code of Ordinances ("Code") limits investments in commercial paper to banks whose senior obligations are rated in the top two rating categories by two national rating agencies and maintain such rating during the term of such investment.

The Code also limits investments to domestic money market mutual funds regulated by and in good standing with the Securities and Exchange Commission. Certificates of Deposits are also limited by the Code to national banks which are either fully collateralized by at least 102% with marketable U.S. Government securities marked to market at least monthly, or secured by a corporate surety bond issued by an insurance company licensed to do business in Illinois, have a claims-paying rating in the top rating category by a nationally recognized statistical rating organization, and maintain such rating during the term of such investment.

Type of Investment	Moodys/ Standard&Poor's Rating	2011
U.S. Treasuries	Aa/AA	$ 39,083,794
Federal Home Loan Bank	Aaa/AA+	25,488,318
Freddie Mac	Aaa/AA+	2,101,871
Fannie Mae	Aaa/AA+	43,811,239
Illinois Funds	AAA	3,678
Repurchase agreement	not rated	12,288,476
Money market funds	AAA/Aaa	669,649,879
State & Local Government (SLG)	not rated	9,074,163
		$ 801,501,418

Custodial Credit Risk – Cash, Certificates of Deposit and Money Market Funds. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's Investment Policy states that in order to protect the County's public fund deposits, depository institutions are required to maintain collateral pledges on County certificates of deposit during the term of the deposit of at least 102% of marketable U.S. Government or approved securities or surety bonds issued by top-rated issuers. Collateral is required as security whenever deposits exceed the insured limits of the FDIC. Cash – Demand Deposits were $1,117,365,877 as of November 30, 2011. The County's deposits were not exposed to custodial credit risk as of November 30, 2011.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The County had no custodial credit risk exposure as of November 30, 2011 because all investments are held by the County's agent in the County's name.

Foreign Currency Risk – This is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The risk of loss is managed by limiting its exposure to fair value loss by requiring their international securities managers to maintain diversified portfolios. As of November 30, 2011, the County was not invested in any foreign investments or deposits.

Concentration of Credit Risk – The county's investment policy limits investments in commercial paper to not greater than one-third of the Treasurer's assets at any given time. The County has no further limits on the amount the County may invest in any one issuer. The County invested more than 5% in the Federal National Mortgage Association (Fannie Mae). These investments were 5.4% of the County's total investments.

The following schedule summarizes the cash and investments reported in the basic financial statements for the Primary Government and Agency Funds:

From Note 3a. - County Investments	
U.S. Treasuries	$ 39,083,794
Federal Home Loan Bank	25,488,318
Freddie Mac	2,101,871
Fannie Mae	43,811,239
State & Local Governments (SLG)	9,074,163
Total Investments from Note 3a.	119,559,385
Other Investments not categorized	
Money Market Mutual Funds	669,649,879
Common and Preferred Stock	1,345,690
Other Short-Term Investments	7,199,428
Repurchase Agreements	12,288,476
Illinois Funds	3,678
Total Other Investments not categorized	690,487,150
Total County Investments	810,046,536
Cash - Demand Deposits	1,117,365,877
Total Cash and Investments	$ 1,927,412,413
Reconciliation to Financial Statements:	
Exhibit 1 - Primary Government:	
Cash and Investments	$ 868,977,432
Cash and Investments with escrow agent	39,130,694
Cash and Investments with trustees	461,345,443
Exhibit 13 - Fiduciary - Agency Funds	
Cash	534,269,166
Investments	23,689,678
	$ 1,927,412,413

(2) Pension Trust Funds

The Pension Trust Funds are authorized to invest in bonds, notes, certificates of indebtedness, mortgage notes, real estate, stocks, shares, debentures, or other obligations or securities as set forth in the "prudent person" provisions of the State Statutes. All of the Plan's financial instruments are consistent with the permissible investments outlined in the State Statutes and any index-linked financial instruments are limited to those indices that replicate the permissible investments outlined in the State Statutes. The following table represents a summarization of the fair value (carrying amount) of the Plan's investments as of December 31, 2011. There were no investments that represent 5% or more of the Plan's net assets held in trust or benefit purposes in a single issuer (other than the US Government).

Type of Investment	Fair Value
U.S. Government and Government Agency Obligations	$ 1,969,108,673
Corporate Bonds	755,644,972
Equities	2,814,605,044
Collective Investment Funds	44,816,703
Exchange Traded Funds	483,793,099
Alternative Investments	272,948,895
Short term Investments	908,806,760
TOTAL INVESTMENTS	$ 7,249,724,146

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Pension Trust Funds have set the duration for the total fixed income portfolio to fall within plus or minus 30% of the duration for the fixed income performance benchmark. The following table presents a summarization of debt investment at December 31, 2011 using the segmented time distribution method:

	Investment Maturities (in Years)				
Type of Investment	Less Than 1	1 - 5	6 - 10	More Than 10	Fair Value
Corporate bonds	$ 85,474,924	$ 211,764,260	$ 283,534,069	$ 174,871,719	$ 755,644,972
U.S. Government and government agency obligations	53,164,696	631,533,147	470,741,201	813,669,629	1,969,108,673
Total	$ 138,639,620	$ 843,297,407	$ 754,275,270	$ 988,541,348	$ 2,724,753,645

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. U.S. Government obligations or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality. The Pension Trust Funds have set the average credit quality for the total fixed income portfolio of not less than A- by Moody's Investor Service, Standard & Poor's and/or Fitch ratings. On August 5, 2011, Standard and Poor's downgraded its credit rating of the U.S. Government and government agency obligations from AAA to AA. The following table presents a summarization of the credit quality ratings of investments in corporate bonds, foreign government obligations, short-term investments and pooled funds as of December 31, 2011 as valued by Moody's Investors Service and Standard & Poor's:

Type of Investment	Rating	Fair Value
Corporate bonds	Aaa/AAA	$ 100,938,979
	Aa/AA	68,601,566
	A/A	278,391,329
	Baa/BBB	258,275,034
	Ba/BB	16,650,299
	B/B	7,535,606
	Caa/CCC	11,510,444
	Ca/CC	30
	C/C	201,344
	D/D	2,719,263
	Not Rated	10,821,078
		$ 755,644,972
U.S. Government and government agency obligations	Aa/AA	$ 1,969,108,673
		$ 1,969,108,673
Demand notes	Aa/AA	$ 495,000
	Not Rated	908,311,760
		$ 908,806,760

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Pension Trust Funds will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2011, the Pension Trust Funds had no investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not held in the Plan's name.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Pension Trust Funds limits the amount of investments in foreign equities to 20% of total assets and foreign fixed income obligations to 2.5% of total fund assets.

The Trust Fund's exposure to foreign currency risk as of December 31, 2011 is as follows:

Foreign Currency Risk	Fair Value (USD) 2011
Equities:	
Austrailian dollar	$ 44,010,562
Brazil real	20,303,228
British pound	255,593,865
Canadian dollar	52,995,298
Czech koruna	291,312
Danish krone	14,896,400
Egyptian pound	133,550
European euro	234,792,492
Hong Kong dollar	69,390,082
Hungarian fornit	297,794
Indian rupee	2,004,561
Indonesian rupan	4,001,426
Israeli shekel	1,627,003
Japanese yen	165,586,705
Malaysian ringgit	3,239,835
Mexican peso	7,999,967
New Taiwan dollar	16,573,111
New Zealand dollar	3,792,465
Norwegian krone	10,457,873
Phillipenes peso	3,074,574
Polish zloty	1,764,497
Peruvian sol	6,895
Russian rubel	83,966
Singapore dollar	14,483,243
South African rand	7,840,531
South Korean won	23,849,269
Swedish krona	22,193,417
Swiss franc	64,844,057
Thailand baht	6,291,947
Turkish lira	1,352,386
U.S. dollar	1,760,832,733
Total equities	$ 2,814,605,044

Type of Investment	Fair Value (USD) 2011
Corporate bonds:	
European euro	$ 326,560
Norwegian krone	428,192
U.S. dollar	754,890,220
Total corporate bonds	$ 755,644,972
Alternative investments:	
European euro	$ 526,618
U.S. dollar	272,422,277
Total alternatives investments	$ 272,948,895

Securities Lending. State Statutes and the Board of Trustees permit the Pension Trust Fund to lend its securities to broker-dealers and other entities with a simultaneous agreement to return collateral for the same securities in the future. The Pension Trust Fund's custodian, acting as the lending agent, lends securities for collateral in the form of cash, U.S. Government obligations and irrevocable letters of credit equal to 102% of the fair value of domestic securities plus accrued interest and 105% of the fair value of foreign securities plus accrued interest.

The Pension Trust Funds has a limit as to the amount of securities on loan of $750 million. The Trust Fund does not have the right to sell or pledge securities received as collateral unless the borrower defaults. The average term of securities loaned was 61 days for 2011; however, any loan may be terminated on demand by either the Pension Trust Fund or the borrower. Cash collateral was invested in a separately managed portfolio which had an average weighted maturity at December 31, 2011 of 55 days.

Although the Plan's securities lending activities are collateralized as describe above, they involve both market and credit risk. In this context, market risk refers to the possibility that the borrower of securities will be unable to collateralize the loan upon a sudden material change in the fair value of the loaned securities. Credit risk refers to the possibility that counterparties involved in the securities lending program may fail to perform in accordance with the terms of the contract.

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower. The contract with the lending agent requires indemnification to the Plan if borrowers fail to return the securities or fail to pay the Plan for income distributions by the issuers of securities while the securities are on loan.

As of December 31, 2011, the fair value (carrying amount) of loaned securities was $732,005,817 and the fair value (carrying amount) of collateral received by the Pension Trust Fund was $749,798,729. Securities on loan included equities, U.S

Government and government agency obligations, exchange traded funds and corporate bonds.

During 2008, a security within the collateral pool became insolvent in an insufficiency in the collateral pool. To prevent any one investor from incurring an additional loss should another investor exit the securities lending program, the Pension Trust Fund's custodian allocated a portion of the insolvent security to each investor in the collateral pool. As a result of the allocation, the Pension Trust Fund incurred an unrealized investment loss and corresponding securities lending payable in the amount of $6,754,245 for the year ended December 31, 2011.

When Issued Transactions. The Pension Trust Fund may purchase securities on a when-issued basis, that is, obligate itself to purchase securities with delivery and payment to occur at a later date. At the time the Pension Trust Fund enters into a commitment to purchase the security, the transaction is recorded at purchase price which equals value. The value at delivery may be more or less than the purchase price. No interest accrues to the Plan until delivery and payment take place. As of December 31, 2011, the Pension Trust Fund contracted to acquire securities on a when-issued basis with a total principal amount of $38,670,000.

The following schedule summarizes the cash and investments reported in the basic financial statements for the Pension Trust Funds:

From Note 3b. - Pension Trust Fund Investments	
U.S. and Foreign Government obligations	$ 1,969,108,673
Corporate bonds	755,644,972
Equities	2,814,605,044
Collective Investment Funds	44,816,703
Exchange Traded Funds	483,793,099
Alternative Investments	272,948,895
Short Term Investments	908,806,760
Total Investments from Note 3b.	7,249,724,146
Cash - Demand Deposits	3,651,478
Total Cash and Investments	$ 7,253,375,624

Reconciliation to Financial Statements	
Exhibit 13 - Fiduciary - County Pension Trust	
Cash	$ 3,651,478
U.S. Government obligations	1,969,108,673
Corporate bonds	755,644,972
Equities	3,343,214,846
Alternative Investments	272,948,895
Short Term Investments	908,806,760
	$ 7,253,375,624

B. Capital Assets

Capital asset activity for the year ended November 30, 2011 was as follows:

Governmental Activities:	December 1, 2010*	Additions	Disposals and Transfers	November 30, 2011
Capital assets, not being depreciated/amortized:				
Land	$ 151,272,146	$ -	$ -	$ 151,272,146
Construction in Progress	215,471,623	81,143,562	(52,612,701)	244,002,484
Total capital assets not being depreciated/amortized	366,743,769	81,143,562	(52,612,701)	395,274,630
Capital assets being depreciated/amortized:				
Buildings and Other Improvements	1,394,076,036	17,177,497	-	1,411,253,533
Machinery and Equipment	370,778,090	51,466,785	(19,692,764)	402,552,111
Infrastructure	1,499,577,139	31,573,001	-	1,531,150,140
Total capital assets being depreciated/amortized	3,264,431,265	100,217,283	(19,692,764)	3,344,955,784
Less accumulated depreciation/amortization for:				
Buildings and Other Improvements	646,859,348	44,799,557	-	691,658,905
Machinery and Equipment	290,204,885	25,438,370	(6,244,561)	309,398,694
Infrastructure	1,023,838,023	36,439,743	-	1,060,277,766
Total accumulated depreciation/amortization	1,960,902,256	106,677,670	(6,244,561)	2,061,335,365
Total capital assets being depreciated/amortized, net	1,303,529,009	(6,460,387)	(13,448,203)	1,283,620,419
Total Governmental Activities capital assets, net	$ 1,670,272,778	$ 74,683,175	$ (66,060,904)	$ 1,678,895,049

*Due to the implementation of GASB 61, the Forest Preserve District has been removed from Governmental Activities.

Business-type Activities:	December 1, 2010	Additions and Transfers	Disposals and Transfers	November 30, 2011
Capital assets being depreciated:				
Buildings and Other Improvements	$ 652,876,534	$ 3,217,558	$ -	$ 656,094,092
Machinery and Equipment	203,770,645	13,441,428	-	217,212,073
Total capital assets being depreciated	856,647,179	16,658,986	-	873,306,165
Less accumulated depreciation for:				
Buildings and Other Improvements	232,066,000	20,628,237	-	252,694,237
Machinery and Equipment	151,185,128	13,265,276	-	164,450,404
Total accumulated depreciation	383,251,128	33,893,513	-	417,144,641
Total capital assets being depreciated, net	473,396,051	(17,234,527)	-	456,161,524
Total Business-type Activities capital assets, net	$ 473,396,051	$ (17,234,527)	$ -	$ 456,161,524

Depreciation and amortization expense was charged to functions/programs of the County and CCHHS as follows:

Governmental Activities:	
Government Management and Supporting Services	$ 54,246,062
Corrections	3,583,853
Courts	9,059,799
Control of Environment	571,575
Assessment and Collection of Taxes	631,453
Transportation	38,215,837
Economic and Human Development	30,193
Election	338,898
Total depreciation/amortization expense-governmental	$ 106,677,670
Business-type Activities:	
CCHHS:	$ 33,893,513

C. Interfund receivables, payables, and transfers

During the course of normal operations the County has numerous transactions between funds including expenditures and transfer of resources to provide services. These transactions are recorded as transfers, which move unrestricted revenues from revenue collecting funds and Non-major funds to finance various programs in the General Fund in accordance with budgetary authorizations. The County also contributes certain services, such as purchasing, data and payroll processing, to the operations of CCHHS. The transfers of services ($3,743,972 for fiscal year 2011) are reported as other financial sources (uses) in the Governmental Funds and as transfers in the Enterprise Funds. In addition, the County transferred a portion of the debt proceeds ($34,642,125 during fiscal year 2011) to CCHHS. The County also contributes capital, such as construction-in-progress and other capital expenditures, to CCHHS, which are not recorded in the overall transfers amounts. These capital contributions ($16,658,986 for fiscal year 2011) are reported separately as transfers – capital contributions on the Proprietary Fund Statement of Net Assets, and in the Government-wide Statement of Net Assets (see Note VII for further information). Transfers between fund types during fiscal year 2011 included:

Transfers Summary - All Funds

November 30, 2011	Transfer In	Transfer Out
General Fund -		
Enterprise Funds - CCHHS - bond proceeds and contributed services	$ -	$ 38,386,097
Non-Major Governmental Funds - operating budget transfers	60,245,739	-
	60,245,739	**38,386,097**
Motor Fuel Tax Fund -		
General Fund - operating budget transfers	-	44,500,000
	-	**44,500,000**
Capital Projects -		
Debt Service - Principal & Interest	-	7,487,046
	-	**7,487,046**
Debt Service -		
Capital Projects - Principal & Interest	7,487,046	-
	7,487,046	**-**
Nonmajor Governmental Funds -		
General Fund - operating budget transfers	-	15,745,739
	-	**15,745,739**
Proprietary Funds -		
General Fund - bond proceeds and contributed services	38,386,097	-
	38,386,097	**-**
Total all funds	**$ 106,118,882**	**$ 106,118,882**

Interfund receivable and payable balances among Governmental Funds at year end are the result of the time lag between the dates that inter-fund goods and services are provided, the date the transactions are recorded in the accounting system and the date payments between funds are made. Interfund receivables and payable also are a result of reclassifications of cash between funds to eliminate negative cash balances in a particular fund as of November 30, 2011. Balances between Agency Funds and Governmental Funds are a result of payments made to refund property taxes that have not been reimbursed by the Governmental Funds.

Interfund Receivables and Payables November 30, 2011	**Receivable Fund Due from**	**Payable Fund Due to**
General Fund		
General Fund - Enterprise Funds - CCHHS	$ 43,455	$ -
General Fund - Agency Funds - County Treasurer	-	242,847
General Fund - Nonmajor Special Revenue Funds	-	3,866,392
	43,455	**4,109,239**
Debt Service Fund		
Debt Service Fund - Agency Fund - County Treasurer	-	5,102,100
	-	**5,102,100**
Nonmajor Governmental Funds		
Nonmajor Special Revenue Funds - General Fund	3,866,392	-
Nonmajor Special Revenue Funds - Agency Funds - County Treasurer	-	101,626
	3,866,392	**101,626**
Proprietary Funds		
Enterprise Funds - CCHHS - General Fund	-	43,455
	-	**43,455**
Agency Funds		
County Treasurer - Debt Service Fund	5,102,100	-
County Treasurer - General Fund	242,847	-
County Treasurer - Nonmajor Special Revenue Funds	101,626	-
	5,446,573	**-**
Total	**$ 9,356,420**	**$ 9,356,420**

Entity Differences - Balances with Fiduciary Funds

The County Pension Trust Fund and the County Postemployment Healthcare Fund (Pension Trust Funds) reported employer contributions receivable of $201,712,943 and $6,413,043, respectively. The County has not recorded a corresponding liability to the Pension Trust Funds as of November 30, 2011. It is the opinion of the County's legal counsel that the legal liability to the Pension Funds occurs with the final approval and filing of the *Tax Levy Resolution For Fiscal Year 2011 Filing And Certification* document. This document was approved by the Cook County Board of Commissioners on December 2, 2011. At that time, the Pension Trust Funds recorded a receivable from the County (the employer). Because the County's fiscal year ends on November 30, 2011, the pension expense and liability will be recorded by the County in its fiscal year 2012.

D. Leases

(1) Operating Leases

The CCHHS leases data processing and other equipment. Lease agreements frequently include a renewal option and usually require the CCHHS to pay for maintenance costs. Rental payments for operating leases are charged to operating expense in the period incurred. Rental expense for operating leases was approximately $3,604,000 for fiscal year 2011.

Estimated minimum future lease payments under non-cancelable lease obligations for fiscal years ending November 30 are as follows:

Year	Amount
2012	$ 4,863,435
2013	4,483,628
2014	3,581,508
2015	3,300,047
2016	2,269,662
Thereafter	2,024,213
Total	$ 20,522,493

(2) Capital Lease

The County's only capital lease for photocopying equipment ended in fiscal year 2011 with a final payment of $418,228. The County is not committed to any other capital leases.

E. Line of Credit

On July 27, 2011, the County borrowed $46 million on a $200,000,000 maximum line of credit to pay for the Young Jail strip search settlement. There are scheduled monthly interest payments based on one month LIBOR plus 0.75%. Currently, management intends to pay off the entire balance by November 30, 2012; however, there is no requirement to do so before November 30, 2014. The County's line of credit outstanding at November 30, 2011:

Governmental Activities:	December 1, 2010	Issued	Redeemed	November 30, 2011
Line of Credit	$ -	$ 46,000,000	$ (10,000,000)	$ 36,000,000

F. Long-term debt

(1) General Obligation Bonds

General Obligation Bond Debt Service Funds are maintained for the retirement of bonded debt. Property tax receipts for bonds issued prior to 1992 are deposited into a cash escrow account, and property tax receipts for bonds issued in 1992 and thereafter are deposited with a bond trustee for the payment of principal and interest.

Some of the County's bonds are variable rate debt (see details below). The interest requirements reported below are based on the rates in effect as of November 30, 2011. Actual interest expense could be materially different. The annual debt service requirements to retire bonds outstanding at November 30, 2011, as provided below, reflect final maturities of principal and interest for all bonds, including demand bonds. As the County has entered into Standby Bond Purchase Agreements that extend beyond one year, demand bonds are reported as long-term liabilities. Should any of the agreements not be extended through the final maturities of these demand bonds, the actual principal retirement due dates could accelerate significantly:

Fiscal Year	Total Principal	Total Interest	Total Requirements
2012	$ 128,975,000	$ 174,409,509	$ 303,384,509
2013	31,810,000	171,772,801	203,582,801
2014	114,540,000	170,293,127	284,833,127
2015	124,375,000	164,543,754	288,918,754
2016	127,820,000	158,850,227	286,670,227
2017 - 2021	747,710,000	694,304,483	1,442,014,483
2022 - 2026	921,510,000	496,801,393	1,418,311,393
2027 - 2031	1,064,485,000	288,752,649	1,353,237,649
2032 - 2034	553,235,000	58,368,137	611,603,137
Total	$ 3,814,460,000	$ 2,378,096,079	$ 6,192,556,079

Interest on variable rate debt was calculated using the interest rate at fiscal year-end, November 30, 2011, and assumes that current rates remain the same.

Series 2002A –.23%
Series 2002B –.44%
Series 2004D –.21%

General obligation bonds outstanding at November 30, 2011, are comprised of the following:

1996 County bonds of $486,345,000; $281,920,000 serial bonds due in annual installments of $450,000 to $25,370,000 through November 15, 2016; interest at 4.9% to 6.5%; $204,425,000 of 5.875% term bonds due November 15, 2014	$ 22,560,000
2002A County taxable general obligation variable rate bonds of $123,800,000 used for self-insurance due November 1, 2023	107,400,000
2002B County general obligation variable note capital improvement bonds of $245,400,000 used for public improvement projects due November 1, 2031	245,400,000
2002C County bonds of $226,060,000; $9,000,000 serial bonds due November 15, 2003 interest rate of 5%; $148,810,000 term bonds due November 15, 2025 interest rate of 5%; $68,250,000 serial bonds for public improvements due November 15, 2026 interest rate of 5.5%	157,810,000
2002D County bonds of $173,565,000 serial bonds due in annual installments of $1,405,000 to $14,350,000 through November 15, 2022; interest at 4.75% to 5.25%	119,515,000
2003B County bonds of $187,285,000 serial bonds due in annual installments of $3,715,000 to $2,400,000 through November 15, 2022; interest at 5.00% to 5.25%	95,270,000
2004A County refunding bonds of $225,655,000 due in annual installments of $275,000 to $37,050,000 through November 15, 2023; interest at 3.0% to 5.0% to refund $232,230,000 of 1993A, 1993B, 1999A & 2001A bonds with an average interest of 5.27%	196,730,000
2004B County general obligation tax-exempt capital improvement bonds of $165,000,000 due in annual installments of $1,500,000 to $79,900,000 through November 15, 2029; interest at 3.30% to 5.25%	147,200,000
2004C County taxable bonds of $135,000,000; $31,000,000 serial bonds due November 15, 2023 interest rate of 5.70%; $98,000,000 serial bonds due November 15, 2029 interest rate of 5.79%; $6,000,000 serial bonds for self-insurance and capital equipment purposes due November 15, 2029 interest rate of 5.76%	135,000,000
2004D County variable rate taxable bonds of $130,000,000 for self-insurance and capital equipment purposes due in one installment of $130,000,000 November 1, 2030	130,000,000
2006A County refunding bonds of $336,775,000 due in annual installments of $300,000 to $68,495,000 through November 15, 2031; interest at 4.0% to 5.0% to refund $332,495,000 of 1999A, 2001A & 2002C bonds with an average interest of 5.30%	335,115,000
2006B County refunding bonds of $196,200,000 due in annual installments of $8,845,000 to $29,470,000 through November 15, 2022; interest at 5.0% to refund $210,956,306 of 1997A & 1997B bonds with an average interest of 5.62%	196,200,000

2009A County refunding bonds of $176,005,000 due in annual installments of $1,980,000 to $28,310,000 through November 15, 2019; interest at 3.0% to 5.0% to refund $180,785,000 of 1996, 1997B, 1998A & 2004B bonds with an average interest of 4.92%	$ 146,635,000
2009B County taxable bonds of $251,410,000; $120,205,000, 6.31% term bonds due November 15, 2031 and $131,205,000, 6.36% due November 15, 2033; $120,205,000 qualifies for 35% Direct Pay Subsidy; $131,205,000 qualifies for 45% Recovery Zone Rate Direct Pay Subsidy	251,410,000
2009C County refunding bonds of $140,695,000 due in annual installments of $35,000 to $53,185,000 through November 15, 2021; interest at 3.25% to 5.0% to refund $145,215,000 of 1998A, 1999A & 1999B bonds with an average interest of 5.03%	110,860,000
2009D County capital equipment bonds of $97,060,000 due in annual installments of $6,995,000 to $11,110,000 through November 15, 2021; interest at 3.25% to 5.0%	75,235,000
2010A County refunding bonds of $277,950,000 for capital improvements due in annual installments of $8,715,000 to $71,505,000 through November 15, 2033; interest at 5.25% to refund $291,400,000 of 1998A, 1999A, 2001A & 2004E bonds with an average interest of 4.71%	277,950,000
2010D County taxable general obligation bonds of $308,640,000 for capital improvements ; 6.229% term Build America Bonds due November 15, 2031 through November 15, 2034; qualifies for 35% Direct Pay Subsidy	308,640,000
2010E County taxable general obligation project bonds of $23,255,000 for public improvements due in annual installments of $11,440,000 and $11,815,000 on November 15, 2014 and November 15, 2015; interest at 3.051% and 3.501%	23,255,000
2010G County refunding bonds of $119,855,000 due in annual installments of $15,000,000 to $26,110,000 due November 15, 2025 through November 15, 2028; interest at 5.0% to refund $125,675,000 of 1999A, 2001A, 2004B & 2009D bonds with an average interest of 4.62%	119,855,000
2011A County refunding bonds of $252,200,000 due in annual installments of $1,200,000 to $23,635,000 through November 15, 2028; interest at 4.00% to 5.25% to refund $147,515,000 of 1996, 1997A, 2002D, 2003B, 2004A,&B, 2006A, & 2009A&C&D bonds with an average interest of 4.54%	252,200,000
2011B County refunding bonds of $130,020,000 due in annual installments of $2,700,000 to $30,535,000 through May 15, 2028; interest at 2.93% to 5.40% to refund $120,490,000 of 1997A, 2002D, 2003B, 2009A&C&D & 2010C bonds	130,020,000
2011C County taxable self-insurance bonds of $125,000,000 due in annual installments of $10,695,000 to $28,525,000 on November 15, 2033; interest at 6.205%	125,000,000
2011D County taxable Corporate Notes of $105,200,000 for operating funds; 2.00% Serial Notes due December 15, 2011	105,200,000
Total County general obligation bonds	**$ 3,814,460,000**

All variable rate demand bonds are direct general obligations of the County to which the County has pledged its full faith, credit and resources. Under certain circumstances, investors in these variable rate demand bonds have the right to demand payment of their demand bonds. If any such demand bonds are not remarketed to other investors, the County is required to purchase the demand bonds. The County's variable rate bonds are supported by bank lines of credit that are evidenced by "Standby Bond Purchase Agreements" between the issuing banks and the County. The County has these types of agreements for: Series 2002A with Bank of America, N.A., expiring February 2, 2014; Series 2002B with Landesbank Hessen-Thüringen Girozentrale, expiring on December 31, 2015 with a bank option to terminate on July 1, 2012, upon which time the bonds will default to bank bonds with a payment date of July 1, 2014; Series 2004D-1 with Harris N.A., expiring April 7, 2012; Series 2004D-2 with The Northern Trust Company, expiring April 7, 2012. The 2004 D-1 and D-2 agreements with BMO Harris (formerly known as Harris N.A.) and Northern Trust Company have been extended through April 7, 2015. These agreements allow the County to borrow money, under certain conditions, for the purchase of any demand notes not remarketed. Accordingly, these bonds are reported as long-term debt of the County.

A summary of the details for each Standby Bond Purchase Agreement as of November 30, 2011 are included in the table below:

Bond Series	Amount ($ MM)	Bank	Expiration Date	Bank Optional Termination	Base Rate	Maximum Lawful Rate	Commitment Fee Rate
Taxable Series 2002A	$ 107.4	Bank of America, N.A.	2/1/2014	N/A	Prime + 1.50%, federal funds rate + 3% and 6%	18% annum	Level 1 Aa3/AA- or above: 0.00% through Level 8 Below Baa3/BBB-: 0.70%
Series 2002B	$ 245.4	Landesbank Hessen-Thüringen Girozentrale	12/31/2015	7/1/2012	Higher of the fed funds rate + 0.50% per annum or the prime rate	18% annum	None
Taxable Series 2004D-1	$ 80.0	Harris N.A.	4/7/2012 extended to 4/7/2015	N/A	Greater of prime rate or Fed funds rate + ½ of 1% or LIBOR plus 1%	10% annum	Level 1 Aa2/AA: - 0.50% through Level 4 A2/A: 0.65%
Taxable Series 2004D-2	$ 50.0	The Northern Trust Company	4/7/2012 extended to 4/7/2015	N/A	Greater of prime rate or Fed funds rate + ½ of 1% or LIBOR plus 1%	10% annum	Level 1 Aa2/AA: - 0.50% through Level 4 A2/A: 0.65%

On October 27, 2011, the County issued General Obligation Refunding Bonds, Series 2011A ("Series 2011A") in the amount of $252,200,000, Taxable General Obligation Refunding Bonds, Series 2011B ("Series 2011B") in the amount of $130,020,000,Taxable General Obligation Bonds, Series 2011C ("Series 2011C") in the amount of $125,000,000, and Taxable General Obligation Bonds, ("Corporate Purpose Notes") ("Series 2011D") in the amount of $105,200,000. The proceeds of the Series 2011A Bonds were issued at a premium to refund $147,515,000 of all or a portion of certain maturities of the County's outstanding Series 1996, Series 1997A, Series 2002D, Series 2003B, Series 2004A&B, Series 2006A and Series 2009A,C&D bearing interest ranging from 3.00% to 6.50%. The proceeds of the Series 2011B Bonds were issued to refund $120,490,000 of all or a portion of certain maturities of the County's outstanding Series 1997A, Series 2002D, Series 2003B, 2009A&C and Series 2010C bearing interest ranging from 3.00% to 6.25%. The advance refunding of the bonds increased the County's total debt service payments by $236.2 million and resulted in an economic loss of $4,355,865 and book loss of $17,918,269.

The proceeds for the Taxable Series 2011C Bonds will be used to establish reserves for liability for which the County is authorized to purchase insurance, including the payment of any tort judgment or settlement for compensatory damages for which the County or an employee while acting within the scope of their employment is liable, and further including the payment of any credit facility or other obligation of the County issued to make such payments.

The Proceeds of the Taxable Series 2011D Notes will be deposited to one or more accounts of the County to enable the County to have on hand at all times sufficient funds to meet demands for necessary expenditures for corporate purpose of the County.

2. Defeased Debt

Defeased bonds have been removed from the Statement of Net Assets because related assets have been placed in an irrevocable trust that, together with interest earned thereon, will provide amounts sufficient for the payment of all principal and interest. Defeased bonds at November 30, 2011 were as follows:

Defeased bonds as of November 30, 2011	Amount Defeased	Amount Outstanding
General Obligation Capital Improvement Bonds, Series 1991	$ 207,928,342	$ 128,355,000
General Obligation Capital Improvement Bonds, Series 1992A	166,535,000	111,420,000
General Obligation Capital Improvement Bonds, Series 1992B	169,970,000	115,165,000
General Obligation Capital Improvement Bonds, Series 1993A	176,785,000	122,160,000
General Obligation Capital Improvement Bonds, Series 1993B	211,225,000	86,030,000
General Obligation Capital Improvement and Refunding Bonds, Series 1996	322,275,000	293,790,000
General Obligation Capital Improvement and Refunding Bonds, Series 1997A	181,835,000	166,415,000
General Obligation Capital Improvement and Refunding Bonds, Series 1997B	71,355,000	55,350,000
General Obligation Capital Improvement Refunding Bonds, Series 1998A	272,330,000	268,090,000
General Obligation Capital Improvement and Refunding Bonds, Series 1999A	329,655,000	306,920,000
General Obligation Capital Improvement Refunding Bonds, Series 1999B	34,580,000	26,520,000
General Obligation Capital Improvement Bonds, Series 2001A	369,090,000	349,695,000
General Obligation Capital Improvement Bonds, Series 2002C	68,250,000	68,250,000
General Obligation Refunding Bonds, Series 2002D	51,060,000	31,210,000
General Obligation Refunding Bonds, Series 2003B	15,485,000	5,085,000
General Obligation Capital Improvement Bonds, Series 2004B	14,025,000	8,000,000
General Obligation Capital Improvement Bonds, Series 2004E	170,000,000	170,000,000
General Obligation Capital Improvement Bonds, Series 2009A	19,865,000	10,080,000
General Obligation Capital Improvement Bonds, Series 2009C	29,720,000	26,570,000
General Obligation Capital Improvement Bonds, Series 2009D	21,825,000	14,830,000
General Obligation Taxable Pension Bonds, Series 2010C	53,330,000	53,330,000
	$ 2,957,123,342	$ 2,417,265,000

3. Long-term Liabilities

Long-term liabilities activity for the fiscal year ended November 30, 2011 was as follows:

County Governmental Activities:	December 1, 2010*	Additions	Reductions	November 30, 2011	Due Within One Year
Bonds payable:					
General obligation bonds	$ 3,499,615,000	$ 612,420,000	$ (297,575,000)	$ 3,814,460,000	$ 128,975,000
Less deferred amounts:					
Net discount (premium)	114,048,179	14,884,156	(8,715,003)	120,217,332	9,435,387
Refunding	(60,511,457)	(17,918,269)	5,299,162	(73,130,564)	5,795,010
Capital lease	418,228	-	(418,228)	-	-
Self insurance claims	349,334,896	21,347,194	(100,751,917)	269,930,173	54,033,068
Property tax objections	28,969,036	11,812,994	-	40,782,030	-
Pollution Remediation Liability	3,598,917	-	(3,072,799)	526,118	526,118
Compensated absences	62,585,768	55,333,355	(52,203,196)	65,715,927	10,382,572
Net pension obligation	1,506,834,673	323,427,209	-	1,830,261,882	-
Net OPEB obligation	372,126,785	121,431,770	-	493,558,555	-
Total governmental activities	$ 5,877,020,025	$ 1,142,738,409	$ (457,436,981)	$ 6,562,321,453	$ 209,147,155

Business-type Activities:	December 1, 2010	Additions	Reductions	November 30, 2011	Due Within One Year
Compensated Absences	$ 42,354,548	$ 37,925,689	$ 38,112,328	$ 42,167,909	$ 42,167,909
Property tax objections	7,643,415	2,802,157	-	10,445,572	-
Total Business-type activities	$ 49,997,963	$ 40,727,846	$ 38,112,328	$ 52,613,481	$ 42,167,909

**Due to the implementation of GASB 61, the Forest Prerserve District has been removed from Governmental Activities.*

Compensated absences will be liquidated by the applicable governmental funds that account for the salaries and wages of the related employees. Self-insurance claims have been liquidated from the General Fund.

4. Property Tax Objections

The County refunds property taxes collected in error and those pertaining to the settlement of prior year property tax objection suits. Property tax objection suits have primarily been resolved up to tax year 2000. As of November 30, 2011, there are no significant unpaid settlements for the General Fund and CCHHS relating to tax levy years up to 1996. According to the County State's Attorney, similar suits have been filed for tax years 2001-2010. The County has estimated probable amounts payable relating to such years for which suits have been filed but are not settled. Additional amounts have been estimated for other specific property tax objections and errors for which refunds are expected to be paid.

All settlements and tax refunds are payable from current collections of relevant taxing districts associated with the property at issue in tax objections or the refund applications.

These amounts are reflected as noncurrent liabilities since payments will be made from property tax collections (including amounts from prior year tax levy years) made subsequent to the fiscal year end.

The following schedule summarizes the activity of property tax objections during the fiscal year ended November 30, 2011:

	Governmental Activities	Business-type Activities
Property tax objection liability, November 30, 2010	$ 28,969,036	$ 7,643,415
Current year activity	11,812,994	2,802,157
Property tax objection liability, November 30, 2011	$ 40,782,030	$ 10,445,572

In the opinion of County management, the amount recorded for property tax objections as of November 30, 2011 appears to be adequate to reflect future payments relating to prior tax levy years.

5. Pollution Remediation

The County's Department of Facilities Management consistently responds to the urgent or immediate needs of other departments whenever asbestos removal is required due to a remodeling project, valve, piping or other necessary repair, the entire area is abated, not just the immediate need. In accordance with GASB 49, the County has developed a list of known areas to have contaminated materials and the projected remediation costs. In the opinion of County management, the amount recorded of $526,118 as of November 30, 2011 appears to be adequate to reflect future payments which constitute an estimate of manpower and time. This has been recorded as a noncurrent liability, due within one year on the government-wide Statement of Net Assets.

6. Fund Balance

At November 30, 2011, the County's fund balances were classified as follows:

	General	Motor Fuel Tax	Capital Projects	Debt Service	Nonmajor Special Revenue Funds	Total
Restricted purpose:						
Grant funded loan program	$ -	$ -	$ -	$ -	$ 55,515,357	$ 55,515,357
Transportation	-	89,118,236	-	-	5,148,055	94,266,291
Capital projects -						
Major facilities	-	-	237,649,926	-	-	237,649,926
Hospital Improvements	-	-	178,873,517	-	-	178,873,517
County jail system	-	-	30,758,676	-	-	30,758,676
Court system	-	-	38,993,362	-	-	38,993,362
Debt service	-	-		318,318,781	-	318,318,781
Government management and supporting services	-	-	-	-	2,649,689	2,649,689
Corrections	-	-	-	-	2,831,474	2,831,474
Courts	-	-	-	-	4,569,767	4,569,767
Control of environment	-	-	-	-	6,135,619	6,135,619
Assessment and collection of taxes	-	-	-	-	35,631,173	35,631,173
Election	-	-	-	-	20,989,404	20,989,404
Economic and human development	-	-	-	-	8,258,743	8,258,743
	-	89,118,236	486,275,481	318,318,781	141,729,281	1,035,441,779
Committed purpose:						
Health	-	-	-	-	29,414,640	29,414,640
Assigned purpose:						
Insurance claims	10,031,361	-	-	-	-	10,031,361
Special projects	27,691,012	-	-	-	-	27,691,012
	37,722,373	-	-	-	-	37,722,373
Unassigned	159,382,015	-	-	-	(50,437,967)	108,944,048
Total fund balances	$ 197,104,388	$ 89,118,236	$ 486,275,481	$ 318,318,781	$ 120,705,954	$ 1,211,522,840

IV. Other Information

A. Risk Management

1. The County

The Self Insurance Account, within the General Fund, is used to account for all risk financing activities of the County. The County is self-insured and believes that it is more economical to manage its risks internally within certain risk tolerances and to set aside funds as needed for current claim settlements and adverse judgments through annual appropriations, surplus funds and bond proceeds. Since December 31, 2000, the County has purchased excess liability insurance coverage related to medical malpractice and other claims. The current medical malpractice policy, as of November 30, 2011, is on a claims-made basis and provides up to $30,000,000 of limits above the County's self-insured retention of $40,000,000 per claim. The municipal policy is on an occurrence basis and provides $40,000,000 of coverage above the County's retention of $10,000,000 per claim. The municipal policy provides coverage not only for bodily injury and property damage losses but extends coverage to include employment practices liability, law enforcement liability, public official's liability and employee benefits liability.

The claims liabilities reported on the government-wide statement of net assets have been determined by an external actuary and include an estimate of incurred but not yet reported losses (IBNR). As of November 30, 2011, the County has recorded a liability of $270.0 million in the County's government-wide statements for self-insurance claims. The County has recorded $54.0 million of this amount as long-term liability that is due within one year.

The County funds its self-insurance liabilities, including those of the CCHHS, on a current basis and has the authority to finance such liabilities through the levy of property taxes or other means. While it is difficult to estimate the timing or amount of expenditures, management of the County believes that the self-insurance liabilities recorded at November 30, 2011, adequately represent potential losses resulting from medical malpractice, workers' compensation, general liability, automobile, civil rights and other liability claims including incurred but not reported claims. The self-insurance liabilities recorded are based on facts known at the current time. However, the discovery of additional information concerning specific cases could affect estimated costs in the future.

For the fiscal year ended November 30, 2011, amounts charged by the self-insurance account to other County funds relating to workers' compensation are reported as offsets to expenditures to the self-insurance account and expenditures/expenses of the fund charged.

During 2011, the County received an insurance recovery of $10 million related to the settlement of the Young jail strip search case in November 2010. This amount was included in the Self-Insurance reserve as an Other Financing Source as of November 30, 2011.

The following table presents the activity of the County during fiscal years 2010 and 2011 for the primary classifications of long-term liabilities (in millions, on an actuarial basis):

Type	Balance at Nov. 30, 2009	Insurance and Claims Payouts	Expense, Net of Actuarial Adjustments	Balance at Nov. 30, 2010	Insurance and Claims Payouts	Expense, Net of Actuarial Adjustments	Balance at Nov. 30, 2011
Medical Malpractice	**$ 170.6**	$ (16.8)	$ (9.8)	**$ 144.0**	$ (18.8)	$ (3.1)	**$ 122.1**
Workers Compensation	**58.8**	(19.2)	23.2	**62.8**	(21.7)	6.1	**47.2**
General	**3.7**	(0.1)	(0.7)	**2.9**	(0.1)	0.9	**3.7**
Automobile	**6.6**	(0.1)	0.7	**7.2**	(0.2)	0.3	**7.3**
Claim Expense Reserve	**26.8**	(10.6)	15.9	**32.1**	(8.8)	1.6	**24.9**
Civil	**106.2**	(12.6)	6.7	**100.3**	(51.2)	15.7	**64.8**
Total Claims Liability	**$ 372.7**	$ (59.4)	$ 36.0	**$ 349.3**	$ (100.8)	$ 21.5	**$ 270.0**

B. Encumbrances/Commitments

The encumbrance system of accounting is followed in all governmental funds (except the Fiduciary Fund Types) under which current year's appropriations are charged when purchase orders, contracts and other commitments are made in order to reserve that portion of the applicable appropriation.

Encumbrances are not the equivalent of expenditures/expenses in GAAP operating statements; therefore, the reserve for encumbrances is reported as part of the fund balance.

Of the County's total reserve for encumbrances of $213,716,107 for fiscal 2011, $154,203,158 is due to contractual commitments for County architectural, engineering and construction services for various construction and rehabilitation projects. Contractual commitments in excess of the cash available at November 30, 2011 are expected to be met with proceeds from future bond issues.

C. Contingent liabilities

1. Federal and State grant programs

The County participates in a number of Federal and State grant programs. The County's participation in these programs is subject to financial and compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant.

2. Arbitrage Liability

The Tax Reform Act of 1986 requires issuers of state and local government bonds to rebate to the federal government arbitrage profits earned on those bonds under certain circumstances. There was no arbitrage liability at November 30, 2011.

D. Conduit debt obligations

The following information represents outstanding limited obligation non-government debt issues, which bear the name of the County. These debt issues are not obligations of the County.

Industrial Development Bonds

As of November 30, 2011, the County had participated in five (5) Industrial Development Bond issues for the purpose of assisting private developers in financing various capital projects:

Issue Date	Issue Amount	Description
June 1, 1996	$25,680,000	The County of Cook, Illinois Revenue Bonds, Series 1996 (Jewish Federation of Metropolitan Chicago Projects)
June 27, 2000	$2,500,000	The County of Cook, Illinois Industrial Development Bonds, Series 2000 (Kenneth Properties, L.L.C. Project)
August 16, 2000	$3,000,000	The County of Cook, Illinois Industrial Development Bonds, Series 2000 (128th Street Limited Partnership Project)
July 2, 2001	$4,755,000	The County of Cook, Illinois Industrial Development Bonds, Series 2001 (Little Lady Foods, Inc. Project)
October 1, 2010	$90,000,000	The County of Cook, Illinois Recovery Zone Facility Revenue Bonds, Series 2010 (Navistar International Corporation Project)

These bonds, and the related interest, are solely payable from revenues arising from the bond holder's capital projects. The bonds and interest therein do not constitute an indebtedness of the County.

V. Pension plans

A. County Pension Plan

Plan Description. The County Employees' and Officers' Annuity and Benefit Fund of Cook County ("the Plan") was established on January 1, 1926 and is governed by legislation contained in the Illinois Compiled Statutes ("Statutes"), particularly Chapter 40, Article 5/9 (the "Article"). The Plan (including employer and employee contribution requirements) can be amended only by the Illinois Legislature. The Plan is a single employer defined benefit pension plan with a defined contribution minimum. The Plan was created for the purpose of providing retirement, death (spouse or children) and disability benefits for full-time employees of the County and the dependents of such employees. The Plan is included in the County's financial statements as a pension trust fund. The financial statements of the Plan are audited by an independent public accountant and are the subject of a separate report. Copies of the Plan's report for the year ended December 31, 2011 are available upon request to the Retirement Board (See Note II.D.14).

The County Employees' and Officers' Annuity and Benefit Fund provide retirement as well as death and disability benefits. Tier 1 employees age 50 or over and Tier 2 employees age 62 or over with at least 10 years of service are entitled to receive a minimum formula annuity of 2.4% for each year of credited service to a maximum benefit of 80% of the final average monthly salary. For Tier 1 employees under age 60 and Tier 2 employees under age 67, the monthly retirement benefit is reduced ½ percent for each month the participant is below the age. This reduction is waived for Tier 1 participants having 30 or more years of credited service.

The Statutes authorize a Board of Trustees (Retirement Board) of nine members to carry out the provisions of the Article. According to the Article, two members of the Board are ex-officio, four are to be elected by the employee members of the Plan, and three are to be elected by the annuitants of the Plan. The two ex-officio members are the Comptroller of Cook County, or someone chosen by the Comptroller, and the Treasurer of Cook County, or someone chosen by the Treasurer. All members of the Retirement Board are fiduciaries with respect to the Plan, and are statutorily mandated to discharge their duties, as such, solely in the interest of the Plan's participants and beneficiaries.

The Board has the powers and duties required in the Article to collect all contributions due to the Plan, to invest the Plan's reserves, to have an annual audit, to appoint employees, to authorize or suspend payment of any benefit, and to have exclusive original jurisdiction in all matters relating to or affecting the Plan. The Board approves its own budget, which is prepared by the administrative staff of the Plan. The Board is required annually to submit to the Board of Cook County a detailed report of the financial affairs and status of the reserves of the Plan. Provisions in other articles of Chapter 40 require the Board to submit its annual audit and actuarial valuation reports to the State of Illinois Department of Insurance, as well as another detailed annual report, the form and content of which is specified by the Department of Insurance.

Summary of Significant Accounting Policies. The financial statements reflect an accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer, Cook County, has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administration costs are financed primarily through the Plan.

Investments are reported at fair value, which generally represents reported market value as of the last business day of the year. Demand notes are carried at cost which approximates fair value. Limited partnerships are carried at fair value as estimated by each partnership's general partner. Where less than an entire holding is sold, average value is used to determine realized gain or loss.

Funding Policy. Covered employees are required to contribute 8.5% (9% for County Police) of their salary to the Plan, subject to the salary limitations for Tier 2 participants in 5/1-160 of the Article. If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with interest (3% or 4% depending on when the employee became a participant). The County's minimum contribution requirement is the amount of contributions made by the employees to the Plan in the calendar year two years prior to the year for which annual applicable tax is levied, multiplied by 1.54. The source of funds for the County's contributions has been designated by State Statute as the County's annual property tax levy. The County's payroll for employees covered by the Plan for 2011 and 2010 was $1,456,444,123 and $1,494,093,569, respectively.

At December 31, 2011, the Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	15,866
Terminated employees entitled to benefits or a refund of contributions, but not yet receiving them	12,584
Current employees -	
Vested	13,784
Nonvested	8,253
	22,037

Annual Pension Cost and Net Pension Obligation. The Plan's annual pension cost and net pension obligation to the Plan for the current year is as follows:

Annual required contribution (ARC)	$ 493,724,370
Interest on net pension obligation	113,012,600
Adjustment to annual required contribution	(127,490,335)
Annual pension cost	479,246,635
Contributions made	155,819,426
Increase in net pension obligation	323,427,209
Net pension obligation - beginning of year	1,506,834,673
Net pension obligation - end of year	$ 1,830,261,882

The County's annual pension cost, the percentage of annual pension cost contributed to the Plan, and the net pension obligation for the most recent fiscal years is as follows:

Year	Annual pension cost	Percentage contributed	Net pension obligation
2009	$ 346,380,458	28.75%	$ 1,204,758,282
2010	446,615,968	32.36%	1,506,834,673
2011	479,246,635	32.51%	1,830,261,882

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the Plan was 62.5% funded. The actuarial value of assets was $7,897,102,116 and the actuarial accrued liability (AAL) was $12,628,274,561, resulting in an unfunded actuarial accrued liability (UAAL) of $4,731,172,445. The covered payroll (annual payroll of active employees covered by the Plan) was $1,456,444,123 and the ratio of the UAAL to the covered payroll was 324.84 percent.

The schedule of funding progress, presented in the Required Supplementary Information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the Plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit costs between the employer and the plan members to that point. Additional information as of the December 31, 2011 actuarial valuation included:

Actuarial valuation date	December 31, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar (open)
Amortization period	30 years
Asset valuation method	Five Year Smoothed Average Market
Actuarial assumptions:	
Investment rate of return	7.5% annually
Projected salary increases:	5% annually
Inflation	3% annually
Postretirement benefit increases	3% compounded per year for Tier 1 employees,
	1.5% simple per year for Tier 2 employees

Excise Tax on High Cost Health Insurance Plans

Under the Patient Protection Affordable Care Act (PPACA), effective in 2018, an excise tax of 40% is to be levied on insurance companies and plan administrators for any health coverage that is above a calculated threshold. Accordingly, an actuarial valuation of this excise tax liability was calculated as of December 31, 2011, assuming that the CPI-U would increase at the rate of 3% per year and that the excise tax would be payable by the Fund and the annuitants in the same portion in which the Fund and retirees currently pay health insurance benefits (e.g. the Fund would pay 55% and the annuitants would pay 45% of the excise tax). Based primarily on discussions with Actuaries, this liability has not been included in the overall liability of the Fund as it is not clear at this time whether this excise tax is applicable to the Fund, as the Fund is not an insurance company nor the employer.

B. Illinois Municipal Retirement Fund (IMRF)

The Suburban Tuberculosis Sanitarium District (the “STS District”) was transferred to the Cook County Board July 24, 2007 per Public Act 094-1050 by the State of Illinois. The following information is disclosed as the STS District’s account with IMRF which is available to meet the STS District’s retirement obligations for former employees who have not yet received retirement benefits from IMRF.

Plan Description. The employer’s defined benefit pension plan for employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (the "IMRF"), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, Plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County is no longer contributing to the plan as all eligible participants have retired; a final distribution amount for receipts as applicable will be assessed in FY 2017 when the plan benefits will cease.

Annual Pension Cost. For 2011, the actual contribution for pension cost was $0. The required contribution for 2011 was $0. (If an additional payment toward the unfunded amount is made, this payment is to be added to the actual contributions and the percentage of APC contributed recalculated.)

Actuarial Methods and Assumptions. The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3% annually. The actuarial value of the employer Plan assets was determined using techniques that spread between the actuarial and market value of assets. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at the December 31, 2008, valuation was thirty years.

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the regular plan was 87.03% funded. The actuarial accrued liability for benefits was $3,128,554 and the actuarial value of assets was $2,722,900, resulting in an underfunded actuarial accrued liability (UAAL) of $405,654. The covered payroll (annual payroll of active employees covered by the plan) was $0 and the ratio of the UAAL to the covered payroll was 0%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value plan assets are increasing or decreasing over time relative to the actuarial liability for benefits.

VI. Other Postemployment Benefits (OPEB)

A. County Healthcare Plan

Plan Description. The County Employees' and Officers' Annuity and Benefit Fund of Cook County administers the Healthcare Premium Plan (HPP), a single-employer defined benefit postemployment healthcare plan. HPP provides a healthcare premium subsidy to annuitants who elect to participate in HPP. The Plan is currently allowed, in accordance with State Statutes, to pay all or a portion of medical insurance premiums for the annuitants. The Plan is included in the County's financial statements as a Post-employment Healthcare trust fund. The financial statements of the Plan are audited by an independent public accountant and are the subject of a separate report. Copies of the Plan's report for the year ended December 31, 2011 are available upon request from the Retirement Board.

HPP is administered in accordance with Chapter 40, Article 5/9 of the Illinois Compiled Statutes, which assigns the authority to establish and amend benefit provisions to the Plan's Board of Trustees (See Note II.D.14).

Summary of Significant Accounting Policies. HPP's financial statements are presented using the accrual basis of accounting. The Plan considers the premium subsidy an additional retirement benefit, with no contribution rate or asset allocation associated with it. The cost for postemployment group health benefits is approximately equal to the premium subsidy. Actual costs may differ based on claims experience. Healthcare premium subsidies are recognized when due and payable.

Funding Policy. The contribution requirements of Plan members and the County are established and may be amended by the State legislature. The required contribution is based on projected "pay-as-you-go" financing requirements. The Plan pays all or any portion of the premium for health insurance on behalf of each annuitant who participates in any of the Plan's healthcare plans. The Plan is paying 55% of the total premiums for retiree annuitants, including the cost of any family coverage, and 70% of the premiums for survivor annuitants, including the cost of family coverage. The remaining premium cost is borne by the annuitant. For fiscal year 2011, the County contributed $38,185,306 to the Plan.

At December 31, 2011, there were 22,037 active employees currently receiving benefits and 1,520 terminated employees entitled to benefits but not yet receiving them. Additionally, the number of annuitants whose cost to participate in the program was subsidized, totaled 7,925.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The County's annual OPEB cost and net OPEB obligation for the most recent fiscal year is as follows:

Annual required contribution (ARC)	$	165,176,771
Interest on net OPEB obligation		16,745,705
Adjustment to annual required contribution		(23,454,080)
Annual OPEB cost		158,468,396
Contributions made		37,036,626
Increase in net OPEB Obligation		121,431,770
Net OPEB Obligation - Beginning of year		372,126,785
Net OPEB Obligation - End of year	$	493,558,555

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the most recent fiscal years is as follows:

Year		Annual OPEB cost	Percentage of Annual OPEB cost contributed		Net OPEB obligation
2009	$	155,991,760	22.65%	$	252,255,128
2010		160,054,715	25.11%		372,126,785
2011		158,468,396	23.37%		493,558,555

The actuarial valuations of the HPP of the Plan as of December 31, 2011 indicate the annual required contribution to be $165,176,771. The annual required contribution is based on an annual projected payroll of $1,456,444,123 for 22,037 active members in 2011.

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date the Plan was zero percent funded. The actuarial value of Assets was zero, and the actuarial accrued liability (AAL) value of assets was $1,678,571,388, resulting in an unfunded actuarial accrued liability (UAAL) of $1,678,571,388. The covered payroll (annual payroll of active employees covered by the plan) was $1,456,444,123 and the ratio of the UAAL to the covered payroll was 115.3 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented in the RSI following the notes to the financial statements, present multi-year trend information about whether the actuarial value of the Fund assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations. Additional information as of the December 31, 2011 actuarial valuation follows:

Actuarial valuation date	December 31, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar (open)
Amortization period (open)	30 years
Actuarial assumptions:	
Investment rate of return	4.5% annually
Inflation rate	3.0% annually
Increases in Postretirement health care costs	
2013	8.0%
2014	7.5%
2015	7.0%
2016	6.5%
2017	6.0%
2018	5.5%
2019 and later	5.0%

VII. County Health and Hospitals System (CCHHS)

Certain expenses incurred by various departments of the County in the operation of the CCHHS have been recorded in the financial statements of the CCHHS (e.g., Data Processing, Purchasing and Auditing) as an expense, with a corresponding credit to transfer in for the subsidy. These expenses amounted to $3,743,972 in fiscal year 2011 and are also included as expenditures of the General Fund. These expenses are included in the cost reimbursement reports submitted by the CCHHS to the State and Federal health care intermediary.

In addition, the County made contributions of $58,676,600 for fiscal year 2011, to the Cook County Employees' and Officers' Annuity and Benefit Fund, on behalf of the CCHHS, which the County is not reimbursed for.

Construction-in-progress and other capital expenditures affecting the CCHHS are accounted for in various Capital Project Funds maintained by the Comptroller as expenditures. These expenditures amounted to $16,658,986 for fiscal year 2011. The corresponding long-term debt which finances these expenditures is reflected as a liability in the County's Governmental Activities and not the CCHHS.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act (the "Act"), a comprehensive health care reform bill. The Act includes measures that change the dynamics of the health care industry, and is subject to change, including through the adoption of related regulations, the way in which its provisions are interpreted and the manner in which it is enforced. CCHHS remains uncertain as to the ultimate impact these changes will have on its operations because of the numerous steps required to implement the Act.

The CCHHS continues to experience rising costs attributable to labor, insurance, pharmaceuticals, and new technology. Moreover, the CCHHS continues to be highly dependent on reimbursement from the State of Illinois Department of Healthcare and Family Services (DHFS). Management continues to monitor payment levels from DHFS and other payers, and on July 1, 2008, the Cook County Board of Commissioners passed a resolution to continue to fund the Bureau of Health Services (BOHS), currently known as Cook County Health and Hospitals System (CCHHS). However, future declines in DHFS reimbursement or continued significant cost increases may require management and the Board of Commissioners to further realign or reduce services to the community.

The Vision 2015 Strategic Plan was implemented in 2011. On September 1, 2011, Oak Forest Hospital became Oak Forest Specialty Health Center, moving forward from ineffective, costly inpatient services, to expanded ambulatory services, targeted to increase volume of services overall by placing emphasis on services by eliminating the ICU and OB/GYN units. Outpatient services were relocated to vacant inpatient units.

In 2011, CCHHS implemented a system-wide charity program, known as CareLink. CareLink is a program designed to assist those patients with income at or below 600% of the federal poverty guidelines as published annually in the Federal Register, patients that are residents of Cook County, and patients that are either uninsured or underinsured (have public or private coverage that does not cover the cost of medically necessary care). All patients receiving assistance under CareLink must pay $10 co-payment per day at the time of service to contribute to their cost of care. CareLink is available at all CCHHS facilities. CareLink replaces the former Limit on Liability charity program.

VIII. State Treasurer Claim

The Treasurer has received demands from the Illinois State Treasurer for certain monies, which are claimed to be subject to the Illinois Uniform Disposition of Unclaimed Property Act. The Cook County State's Attorney has reviewed the State Treasurer's demands and concluded that the claims are generally without merit with the exception of amounts related to certain warrants outstanding. The County believes, however, that the warrant list used in establishing the amounts claimed is inaccurate and that the demand and listing are excessive and incorrect. The Treasurer has declined to comply with the State Treasurer's demand of certain monies pursuant to the opinion rendered by the Cook County State's Attorney. In the opinion of the Cook County State's Attorney, the lawsuits fail to state a claim under the Property Tax Code or the Unclaimed Property Act.

The County presently maintains a cash balance and an offsetting liability of $6,424,788 related to outstanding warrants. The County does not believe that the final resolution of the amounts claimed will have a material impact on the County's financial statements.

IX. Restatement Due to Implementation of New Accounting Standards

For the year ended November 30, 2011, the County implemented 2 new accounting standards:

GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and

GASB 61, *The Financial Reporting Entity – Omnibus - An amendment of GASB Statements No. 14 and No. 34.*

As a result of implementing GASB 54, the Emergency Management Agency and Capital Litigation Funds, which previously were reported as special revenue funds, no longer meet the criteria for reporting as such and are now reported as part of the General Fund. Additionally, as a result of implementing the provisions of GASB 61, the Cook County Forest Preserve District, which previously was reported as a blended component unit, is now discretely presented. The impact of implementing these new standards is detailed as follows:

	Note 3 B Capital Assets	Note 4 Long-term Obligations	Fund Balances / Net Assets
Governmental Activities:			
November 30, 2010, as previously reported	$ 1,953,725,432	$ 6,021,536,763	$ (2,295,257,315)
Adjustment for GASB 61	(283,452,654)	(144,516,738)	(267,981,888)
November 30, 2010, as restated	1,670,272,778	5,877,020,025	(2,563,239,203)
General Fund:			
November 30, 2010, as previously reported	-	-	64,559,306
Adjustment for GASB 54	-	-	(3,746,463)
November 30, 2010, as restated	-	-	60,812,843
Nonmajor Governmental Funds:			
November 30, 2010, as previously reported			220,373,834
Adjustment for GASB 54	-	-	3,746,463
Adjustment for GASB 61	-	-	(128,113,011)
November 30, 2010, as restated	-	-	96,007,286
Fiduciary - Pension Trust Funds:			
November 30, 2010, as previously reported	-	-	7,748,552,312
Adjustment for GASB 61	-	-	(173,898,700)
November 30, 2010, as restated	-	-	7,574,653,612
Discretely Presented Component Units:			
November 30, 2010, as previously reported	243,808,445	108,795,397	292,726,456
Adjustment for GASB 61	283,452,654	144,516,738	267,981,888
November 30, 2010, as restated	$ 527,261,099	$ 253,312,135	$ 560,708,344

X. Component Unit – Forest Preserve District (District)

A. The Forest Preserve District Reporting Entity

The Forest Preserve District of Cook County, Illinois (the District) was established in July 1915. It is a separate governmental entity with boundaries coterminous with the County of Cook, Illinois. The District has a Board of Commissioners form of government.

Reporting Entity - In evaluating how to define the government for financial reporting purposes, management has considered, in accordance with GAAP, all potential component units as defined by the Government Accounting Standards Board Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. These financial statements include all organizations, activities, functions, funds, and component units for which the District is financially accountable. Financial accountability as the appointment of a voting majority of the component unit's governing body and either (1) the District's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. The following component units have been included in the financial statements of the District.

Presented Discretely With the Reporting Entity - The Chicago Horticultural Society (Chicago Botanical Garden) and Chicago Zoological Society (Brookfield Zoo) maintain their own boards, however their annual property tax levy requests require the District's approval. The District owns the land sites of the Chicago Botanical Garden and Brookfield Zoo. The Chicago Botanical Garden and the Brookfield Zoo are subject to agreements with the District to operate and maintain their respective land sites. The Chicago Botanical Garden’s agreement expires in 2015 and the contract provides for an automatic renewal for 40 years upon agreement of both parties. The Brookfield Zoo’s agreement expires in 2026. Because of the nature of the Chicago Botanical Garden’s and Brookfield Zoo’s financially integrated relationship to the District, they are not blended with the District but presented discretely beside the District's financial statements.

Information contained in this section (Note X) is for the Forest Preserve District only, and omits information for the District’s two discretely presented component units - the Chicago Horticultural Society (Chicago Botanical Garden) and Chicago Zoological Society (Brookfield Zoo) .

Complete financial statements for the Forest Preserve District, the Chicago Horticultural Society (Chicago Botanical Garden) and Chicago Zoological Society (Brookfield Zoo) may be obtained by request from the District at 69 West Washington Street, Suite 2060, Chicago, Illinois 60602.

B. Deposits and Investments

Cash

In accordance with the District's policy, cash is collateralized with securities of the U.S. Government in an amount equal to 102% of the funds on deposit, less the Federal Depository Insurance Corporation (FDIC) insured amount of $250,000 on interest bearing accounts and complete insurance on non-interest bearing accounts. Balances in non-interest bearing transaction accounts are fully insured through December 31, 2011.

Cash balances are monitored daily and adjusted accordingly, with required collateral increased or decreased based on the District's daily cash balance and the market value of the collateral. All collateral - U.S. Treasuries, U.S. Government Agencies, and mortgage-backed securities (MBS) - is held by Federal Reserve Bank or other independent financial institutions acting as the District's agent and all changes in collateral balances are communicated on a daily basis, if necessary, to the District by showing pledged holdings.

Certificates of Deposit

Certificates of deposit amounted to $4,886,633 at December 31, 2011. In accordance with the District's policy, certificates of deposit are collateralized with securities of the U.S. Government in an amount equal to 102% of the funds on deposit. All investment collateral is held in safekeeping in the District's name by the Federal Reserve Bank or other financial institutions acting as the District's agent. Collateral balances are monitored regularly, with additional collateral requested as necessary.

Investments

Investments the District may purchase are limited by Illinois law to the following (1) securities that are fully guaranteed by the U.S. Government as to principal and interest, (2) certain U.S. Government Agency securities, (3) certificates of deposit or time deposits of banks and savings and loan associations that are insured by a federal corporation, (4) short-term discount obligations of the Federal National Mortgage Association, (5) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services, (6) fully collateralized repurchase agreements, (7) the State Treasurer's Illinois and Prime Funds, and (8) money market mutual funds and certain other instruments.

Interest Rate Risk - The District has a formal investment policy that limits investment maturities so the investments mature to meet needs for ongoing operations. This policy obviates the need to liquidate any investments prior to maturity, which liquidation could lead to substantial capital losses in a rising interest rate environment. The only interest rate risk this policy does not eliminate is the reinvestment risk at the investment maturity. All of the District's investments held at December 31, 2011 had maturities of less than 1 year. These investments consisted of money market funds of $72,468,788 and Illinois funds of $28,000,939.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's formal investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. The District’s money market funds are not rated. The Illinois Funds are rated AAA by Standards & Poor’s.

Custodial Credit Risk - Custodial credit risk, for investment securities, is the risk that the investment securities are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty’s trust department or agent but not in the government’s name.

The District had no investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not held in the District’s name, as of December 31, 2011.

Concentration of Credit Risk - The District's policy limits the amount the District may invest in any one issuer to 25% of the total portfolio. In addition, no more than 33% of total investments may be invested in commercial paper at any time. The District has no concentration of credit risk at December 31, 2011.

C. Capital Assets

A summary of changes in the District's capital assets for the year ended December 31, 2011, is as follows:

	Balance 1/1/2011	Additions	Deductions	Balance 12/31/2011
Capital assets, not being depreciated:				
Land	$ 187,869,960	$ 3,358,231	$ -	$ 191,228,191
Construction in progress	28,648,274	9,060,340	(17,612,618)	20,095,996
Total capital assets, not being depreciated	216,518,234	12,418,571	(17,612,618)	211,324,187
Capital assets, being depreciated:				
Land improvements	56,388,451	7,199,708	-	63,588,159
Buildings	59,919,696	10,412,910	-	70,332,606
Equipment	5,578,287	354,082	-	5,932,369
Vehicles	9,298,417	1,296,717	-	10,595,134
	131,184,851	19,263,417	-	150,448,268
Less accumulated depreciation				
Land improvements	(13,902,616)	(2,395,579)	-	(16,298,195)
Buildings	(27,380,483)	(2,002,703)	-	(29,383,186)
Equipment	(3,239,043)	(355,009)	-	(3,594,052)
Vehicles	(4,678,289)	(769,029)	-	(5,447,318)
	(49,200,431)	(5,522,320)	-	(54,722,751)
Total capital assets, being depreciated - net	81,984,420	13,741,097	-	95,725,517
Government activities, total capital assets - net of accumulated depreciation	$ 298,502,654	$ 26,159,668	$ (17,612,618)	$ 307,049,704

The table above excludes the Botanical Garden and Brookfield Zoo Chicago capital assets of $110,551,000 and $130,791,000, respectively.

D. Long-Term Debt

A summary of the District's long-term debt transactions for the year ended December 31, 2011 and the current portion due in one year are as follows:

	Balance 1/1/11	Additions	Deductions	Balance 12/31/11	Due Within One Year
General Obligation Bonds, Series 2001 A&B	$ 19,810,000	$ -	$2,925,000	$ 16,885,000	$3,050,000
General Obligation Bonds, Series 2004	82,125,000	-	4,125,000	78,000,000	4,335,000
Compensated absences	1,828,772	1,465,096	1,500,894	1,792,974	1,075,784
Postemployment benefit obligation	6,963,983	2,928,686	-	9,892,669	-
Net pension obligation	23,014,896	5,986,001	-	29,000,897	-
Bond premium costs	8,398,587	-	458,493	7,940,094	482,083
Total	$142,141,238	$10,379,783	$9,009,387	$143,511,634	$8,942,867

The table above excludes long-term debt for the Chicago Botanical Garden and Brookfield Zoo totaling $50,000,000 and $45,370,000, respectively.

Series 2001 A & B - In September 2001, the District issued $35,285,000 in General Obligation Refunding Bonds, with an average interest rate of 4.5% to advance refund $32,410,000 (a portion) of outstanding Series 1993 and 1996 bonds with an average interest rate of 5.6%. The bonds are being retired by the Debt Service Fund, with the bonds maturing from 2002 through 2016. Future principal and interest requirements are as follows:

	Principal	Interest	Total
Year ending December 31,			
2012	$ 3,050,000	$ 824,706	$ 3,874,706
2013	3,175,000	697,563	3,872,563
2014	3,370,000	562,625	3,932,625
2015	3,550,000	384,769	3,934,769
2016	3,740,000	197,406	3,937,406
Total	$ 16,885,000	$ 2,667,069	$ 19,552,069

Series 2004 - In November 2004, the District issued $100,000,000 in General Obligation Bonds, with an interest rate of 5.00% to 5.25%, for the purpose of financing the District's construction projects. $50,000,000 was designated for the District with the Chicago Botanical Garden and Brookfield Zoo receiving $25,000,000 each. The bonds are being retired by the Bond and Interest Fund, with the bonds maturing from 2006 to 2024. Future principal and interest requirements are as follows:

	Principal	Interest	Total
Year ending December 31,			
2012	$ 4,335,000	$ 3,971,838	$ 8,306,838
2013	4,555,000	3,755,088	8,310,088
2014	4,790,000	3,527,338	8,317,338
2015	5,040,000	3,287,838	8,327,838
2016	5,315,000	3,023,328	8,338,328
2017 - 2021	31,125,000	10,666,964	41,791,964
2022 - 2024	22,840,000	2,322,250	25,162,250
Total	$ 78,000,000	$ 30,554,644	$ 108,554,644

XI. Subsequent Events

A. Recent Financial Market Events

Recent market conditions have resulted in an unusually high degree of volatility and increased the risk and short-term liquidity associated with certain investments held by the County and the Employees' and Officers' Annuity and Benefit Fund of Cook County, which has the potential to adversely impact the value of those investments subsequent to November 30, 2011, and after the date of these financial statements.

B. 2011 Tax Levy Filing and Certification – Annuity and Benefit Fund

In accordance with State Statute, the County has until the last Tuesday in December of each year to certify its levy with the County Clerk. On that date, the County becomes obligated to provide a contribution to the County Employee's and Officer's Annuity and Pension Fund (Pension Fund). In 2011, the Chief Financial Officer signed and certified the levy with the County Clerk on December 2, 2011. The portion of the levy pertaining to the pension fund (pension contribution liability) was $138,497,492. This pension contribution will be paid to the Pension Fund in FY12 as the property taxes are collected by the County.

C. Payment on Letter of Credit

On April 4, 2012, the County made a payment of $10 million on the Letter of Credit outstanding to J.P Morgan Chase, reducing the balance to $26,000,000.

D. Extension of Standby Bond Purchase Agreement

On March 14, 2012, the County extended the Northern Trust and BMO Harris SBPA credit facilities associated with the Series 2004D-1 and 2004D-2 variable rate debt bonds for a subsequent amendment of 3 years, to expire on April 7, 2015.

COOK COUNTY, ILLINOIS

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULES OF FUNDING PROGRESS

November 30, 2011

County Employees' and Officers' Annuity and Benefit Fund of Cook County

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
Pension Benefits						
December 31, 2009	$ 7,945,567,096	$ 11,489,081,298	$ 3,543,514,202	69.16	$ 1,498,161,713	236.52%
December 31, 2010	7,982,368,659	12,023,222,885	4,040,854,226	66.39	1,494,093,569	270.46%
December 31, 2011	7,897,102,116	12,628,274,561	4,731,172,445	62.54	1,456,444,123	324.84%
Post Employment Group Health Benefit Plan						
December 31, 2009	$ -	$ 1,686,872,018	$ 1,686,872,018	0.00	$ 1,498,161,713	112.60%
December 31, 2010	-	1,724,622,462	1,724,622,462	0.00	1,494,093,569	115.43%
December 31, 2011	-	1,678,571,388	1,678,571,388	0.00	1,456,444,123	115.25%

Suburban Cook County Tuberculosis District - Illinois Municipal Retirement Fund (IMRF)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
Pension Benefits						
December 31, 2009	$ 3,578,684	$ 4,036,225	$ 457,541	88.66	$ -	0.00%
December 31, 2010	3,129,225 [1]	3,439,466	310,241	90.98	-	0.00%
December 31, 2011	2,722,900 [1]	3,128,554	405,654	87.03	-	0.00%

1- On a market value basis, the actuarial value of assets as of December 31, 2011 is $2,127,839. On a market basis, the funded ratio would be 68.01%.

Source: The information above was taken from the actuarial statements prepared for each of the respective plans.

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APPENDIX B
Forms of Opinions of Co-Bond Counsel

PROPOSED FORM OF OPINION OF CO-BOND COUNSEL

SERIES 2012C BONDS

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the "Proceedings") of the Board of Commissioners of The County of Cook, Illinois (the "County"), passed preliminary to the issue by the County of its fully registered General Obligation Refunding Bonds, Series 2012C (the "Bonds"), in the aggregate principal amount of $380,530,000 dated the date hereof, of the denominations of $5,000 or an integral multiple thereof, due on November 15 of the years, in the amounts, and bearing interest at the rates per cent per annum as follows:

MATURITY (NOVEMBER 15)	AMOUNT ($)	INTEREST RATE (%)
2019	3,000,000	4.00
2019	14,295,000	5.00
2020	3,000,000	4.00
2020	18,000,000	5.00
2021	3,000,000	4.00
2021	18,855,000	5.00
2022	3,000,000	4.00
2022	20,220,000	5.00
2023	18,100,000	5.00
2024	77,705,000	5.00
2025	80,915,000	5.00
2026	4,935,000	5.00
2027	4,945,000	5.00
2028	4,955,000	5.00
2029	25,000,000	4.00
2029	55,365,000	5.00
2033	25,240,000	5.00

The 2012C Bonds maturing on November 15, 2033 are issued as term bonds and are subject to mandatory redemption prior to maturity at a redemption price of par plus accrued interest to the date fixed for redemption, on November 15 of the years and in the amounts as follows:

YEAR	PRINCIPAL AMOUNT ($)	
2030	240,000	
2031	250,000	
2032	3,750,000	
2033	21,000,000	(stated maturity)

The Bonds maturing on or after November 15, 2023 are subject to redemption prior to maturity at the option of the County, from any available funds, on November 15, 2022, and any date thereafter, in whole or in part, and if in part in such principal amounts and from such maturities as determined by the County, and within any maturity by lot, at a redemption price of par plus accrued interest to the date fixed for redemption.

From such examination, we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the County and is payable from unlimited ad valorem taxes levied on all of the taxable property in the County without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is also our opinion that, subject to the County's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but we express no opinion as to whether interest on the Bonds is taken into account in computing adjusted current earnings, which is used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such County covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering our opinion on tax exemption, we have relied on the mathematical computation of the yield on the Bonds and the yield on certain investments by Robert Thomas CPA, LLC, Certified Public Accountants.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

In rendering this opinion, we have relied upon certifications of the County with respect to certain material facts within the County's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

PROPOSED FORM OF OPINION OF CO-BOND COUNSEL

TAXABLE SERIES 2012D BONDS

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Commissioners of The County of Cook, Illinois (the "*County"*), passed preliminary to the issue by the County of its fully registered Taxable General Obligation Refunding Bonds, Series 2012D (the *"Bonds"*), in the aggregate principal amount of $29,410,000 dated the date hereof, of the denominations of $5,000 or an integral multiple thereof, due serially on November 15 of the years, in the amounts, and bearing interest at the rates per cent per annum as follows:

MATURITY (NOVEMBER 15)	AMOUNT ($)	INTEREST RATE (%)
2014	5,200,000	0.55
2018	16,950,000	2.03
2019	7,260,000	2.28

From such examination, we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the County and is payable from unlimited ad valorem taxes levied on all of the taxable property in the County without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that under present law, interest on the Bonds is includable in gross income of the owners thereof for federal income tax purposes. Ownership of the Bonds may result in other federal income tax consequences to certain taxpayers. Bondholders should consult their own tax advisors concerning tax consequences of ownership of the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

In rendering this opinion, we have relied upon certifications of the County with respect to certain material facts within the County's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX C
Book-Entry Only System

BOOK-ENTRY SYSTEM

The following information has been furnished by DTC for use in this Official Statement and neither the County nor the Underwriters take any responsibility for its accuracy or completeness.

The Depository Trust Company ("**DTC**"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "**1934 Act**"). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation ("**NSCC**") and Fixed Income Clearing Corporation ("**FICC**"), all of which are registered clearing agencies. DTC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "**SEC**"). More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the County or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payment by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the County or the Trustee, as applicable, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered. The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates are required to be printed and delivered.

The foregoing concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

NEITHER THE COUNTY NOR THE UNDERWRITERS HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, CEDE & CO. OR ANY PARTICIPANT; THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BENEFICIAL OWNERS UNDER THE INDENTURE; THE SELECTION BY DTC OR ANY PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC.

APPENDIX D
Demographic and Economic Information

APPENDIX D
DEMOGRAPHIC AND ECONOMIC INFORMATION

Demographic and economic developments are best understood in a comparative framework. This appendix provides material for analyzing and comparing trends in the County with those in other major counties in the nation. To maximize the value of the comparisons, the counties utilized in the tables were selected on the basis of several criteria in addition to size. These include:

(1) Governmental functions similar in magnitude and scope to those of the County. This requirement resulted in the exclusion of counties that exist in form but perform no, or only minor, government activities. This group includes, among others, the five counties comprising New York City, Middlesex, Massachusetts; and such city counties as Philadelphia and Baltimore.

(2) A large central city within the county. This requirement led to the exclusion of such populous counties as Orange, California and Nassau and Suffolk in New York State.

Several tables in this appendix compare economic trends in metropolitan areas rather than in counties, since timely data are available only on a metropolitan area basis.

Extensive revisions have been made to the definitions of U.S. metropolitan areas. These changes have not affected all metropolitan areas equally. For example, "Primary Metropolitan Statistical Areas" are now obsolete. Under the 2000 standards, "Metropolitan Statistical Area" ("**MSA**") is the term used for the basic set of county based areas defined under this classification. In addition, eleven (11) MSAs were deemed large enough to be subdivided into "Metropolitan Divisions" ("**MD**"). The MDs are the most comparable in concept to the now obsolete Primary Metropolitan Statistical Area.

Population of Ten Major Counties

COUNTY	2010	2000	1990	1980	1970
Cook, IL	5,194,675	5,376,741	5,105,067	5,253,190	5,493,766
Los Angeles, CA	9,818,605	9,519,338	8,863,164	7,477,657	7,041,980
Harris, TX	4,092,459	3,400,578	2,818,199	2,409,544	1,741,912
Maricopa, AZ	3,817,117	3,072,149	2,122,101	1,508,030	971,228
San Diego, CA	3,095,313	2,813,833	2,498,016	1,861,946	1,357,854
Miami Dade, FL	2,496,435	2,253,362	1,937,094	1,625,946	1,267,792
Dallas, TX	2,368,139	2,218,899	1,852,810	1,556,549	1,327,695
Wayne, MI	1,820,584	2,061,162	2,111,687	2,337,240	2,670,368
Cuyahoga, OH	1,280,122	1,393,978	1,412,140	1,498,295	1,720,835
Allegheny, PA	1,223,348	1,281,666	1,336,449	1,450,085	1,605,133

Source: U.S. Department of Commerce, Bureau of the Census.

Per Capita Personal Income[1]

COUNTY	2010	2009	2008	2007	2006
Cook, IL	$45,311	$44,228	$47,073	$46,996	$44,144
Los Angeles, CA	41,791	40,356	42,881	41,237	39,610
Harris, TX	44,757	43,432	51,1378	46,907	45,412
Wayne, MI	33,133	31,926	33,258	32,654	31,356
San Diego, CA	45,627	44,412	47,197	45,768	43,967
Miami Dade, FL	36,520	35,621	37,346	36,492	35,409
Dallas, TX	43,178	42,088	47,446	46,347	44,529
Cuyahoga, OH	41,909	40,292	43,133	40,959	39,567
Maricopa, AZ	37,352	36,707	39,369	39,300	38,176
Allegheny, PA	46,274	44,943	47,829	45,367	43,421
U.S. Average, Metropolitan Counties	41,585	40,401	43,667	42,203	40,559

[1] Per capita personal income was computed using Census Bureau midyear population estimates. Revised Estimates for 2006-2009 reflect county population estimates available as of April 2012. In 2010, the U.S. Department of Commerce, Bureau of Economic Analysis conducted a comprehensive reevaluation of historical data, numbers may differ from prior County official statements.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Nonfarm Payroll Employment in Metropolitan Statistical Areas and Metropolitan Divisions[1]

	2011	2010	2009	2008	2007
Chicago, IL	3,647.7	3,607.1	3,644.1	3,845.0	3,873.1
New York, NY	5,218.6	5,128.8	5,114.9	5,274.4	5,232.3
Los Angeles, CA	3,794.1	3,773.1	3,824.1	4,070.7	4,122.2
Philadelphia, PA	1,873.3	1,862.9	1,862.8	1,922.4	1,919.1
Detroit, MI	699.5	693.1	697.9	756.7	781.0
Dallas, TX	2,058.9	2,017.2	2,015.0	2,097.2	2,073.9
Houston, TX	2,593.1	2,528.1	2,532.9	2,601.5	2,547.8
San Francisco, CA	948.2	931.9	944.1	996.7	989.1
Cleveland, OH	992.7	991.1	1,000.8	1,058.5	1,072.3
Pittsburgh, PA	1,148.6	1,125.3	1,120.7	1,148.9	1,146.1

[1] Number of persons, in thousands, not seasonally adjusted.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Unemployment Rates in Metropolitan Statistical Areas and Metropolitan Divisions[1]

	2011	2010	2009	2008	2007
Chicago, IL[m]	9.9%	10.4%	10.1%	6.2%	4.9%
New York, NY[t]	8.5	9.0	8.6	5.3	4.4
Los Angeles, CA[t]	11.4	11.8	10.9	6.9	4.8
Philadelphia, PA[t]	8.3	8.5	7.8	5.4	4.4
Detroit, MI[m]	11.5	13.9	15.0	8.7	7.5
San Francisco, CA[t]	9.4	10.3	9.6	5.7	4.4
Dallas, TX[t]	7.8	8.2	7.7	5.0	4.3
Houston, TX[t]	8.1	8.5	7.5	4.8	4.3
Pittsburgh, PA[t]	7.2	7.8	7.2	5.1	4.3
Cleveland, OH[m]	7.7	8.7	8.8	6.7	6.1

(1) Not seasonally adjusted.
(t) Reflects revised inputs, re-estimation, and new statewide controls through 2011.
(m) Reflects revised population controls and model re estimation through 2011.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Unemployment Rates for the Civilian Labor Force

	2011	2010	2009	2008	2007
United States	8.9%	9.6%	9.3%	5.8%	4.6%
State of Illinois[m]	9.8	10.3	10.0	6.2	5.1
Cook County, IL[t]	10.4	10.5	10.3	6.5	5.2
Chicago-MD[t]	9.9	10.1	10.0	6.2	4.9

(m) Reflects revised population controls and model re estimation through 2011.
(t) Reflects revised inputs, re estimation, and new statewide controls through 2011.
Source: U.S. Department of Labor, Bureau of Labor Statistics and Illinois Department of Employment Security.

Housing Units Authorized by Building Permits

METROPOLITAN AREA – MSA/MD	2011	2010	2009	2008	2007
Chicago, IL	7,593	7,267	6,097	16,058	33,933
Cleveland, OH	1,767	1,941	2,069	2,685	4,075
Dallas, TX	24,827	19,558	20,370	36,321	43,568
Detroit, MI	3,366	3,210	1,333	2,590	4,325
Houston, TX	31,271	27,452	27,326	42,728	63,274
Los Angeles, CA	14,247	10,394	7,281	15,045	26,616
Miami, FL	7,532	5,877	3,875	7,821	15,145
New York, NY	21,539	18,668	16,707	51,590	56,405
Philadelphia, PA	6,979	7,053	7,093	10,570	13,477
Phoenix, AZ	9,081	8,300	9,272	18,533	37,373
San Diego, CA	5,370	3,494	2,946	5,357	7,435
San Francisco, CA	5,783	4,621	3,550	7,555	10,560

Source: U.S. Department of Commerce, Bureau of the Census, Building Permits Branch, Construction Statistics Division.

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APPENDIX E
Summary of Certain Provisions of the Bond Ordinance

Summary of Certain Provisions of the Bond Ordinance

The Bond Ordinance authorizes the issuance by the County of general obligation bonds and notes (the "**Authorized Bonds**"). The Bonds when issued will be the seventh series of bonds issued under the Bond Ordinance. The following is a summary of certain provisions of the Bond Ordinance and does not purport to be complete. Reference is made to the Bond Ordinance for the complete provisions thereof.

Bond Fund

The Bond Ordinance establishes a Bond Fund, which shall be the fund for the payment of principal of and interest on the Bonds. The Bond Fund shall be held and maintained as a separate and segregated account by the Trustee and the Trustee shall establish a separate account within the Bond Fund for each Series of Bonds issued under the Bond Ordinance. Accrued interest and premium, if any, received upon delivery of the Bonds shall be deposited into the Bond Fund and applied to pay first interest coming due on the Bonds.

The Pledged Taxes shall be deposited into the Bond Fund and used solely and only for paying the principal of and interest on the Bonds or be used to reimburse a fund or account from which advances to the Bond Fund may have been made to pay principal of or interest on the Bonds prior to receipt of Pledged Taxes. Interest income or investment profit earned in the Bond Fund shall be retained in the Bond Fund for payment of the principal of and interest on the Bonds on the interest payment date next after such interest or profit is received or, to the extent lawful and as determined by the Chief Financial Officer, transferred to such other funds as may be determined. The County pledges, as equal and ratable security for the Bonds, all present and future proceeds of the Pledged Taxes on deposit in the Bond Fund for the sole benefit of the registered owners of the Bonds, subject to the reserved right of the County to transfer certain interest income or investment profit earned in the Bond Fund to other funds of the County, as described in the preceding sentence.

Investment of Funds

The moneys on deposit in the Bond Fund may be invested from time to time by the Trustee at the written direction of the Chief Financial Officer in any investment of proceeds of Bonds as may be permitted under the investment policy of the County and as defined in the Bond Order. Any such investments may be sold from time to time by the Trustee without further direction from the County as moneys may be needed for the purposes for which the Bond Fund has been created. The moneys on deposit in any Project Fund shall be invested from time to time by the Trustee at the written direction of the Chief Financial Officer in any lawful investment of County Funds. In addition, the Chief Financial Officer shall direct the Trustee to sell such investments when necessary to remedy any deficiency in the Bond Fund, any Project Fund or any accounts created therein. All other investment earnings shall be attributed to the account for which the investment was made.

Tax Covenants

The Bond Ordinance provides that the County will not take any action, or omit to take any action or permit the taking or omission of any action within its control (including, without limitation making or permitting any use of proceeds of the Authorized Bonds), which action, omission or permitting would cause any Authorized Bond that has the status of the interest paid and received thereon as excludable from the gross income of the owners thereof under the Code for federal income tax purposes, except to the extent that such interest is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations ("**Tax-Exempt**") to be a private activity bond within the meaning of the Code or would otherwise cause interest on the Tax-Exempt Bonds to be includable in the gross income of the recipients thereof for federal income taxes. The County also agrees in the Bond Ordinance to comply with all provisions of the Code which, if not complied with by the County, would cause the Tax-Exempt Bonds not to be Tax-Exempt.

The Bond Ordinance further provides that moneys on deposit in any fund or account in connection with the Tax-Exempt Bonds, whether or not such moneys were derived from the proceeds of the sale of the Tax-Exempt Bonds or from any other source will not be used in a manner which will cause the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and any lawful regulations promulgated thereunder, as the same presently exist or may from time to time be amended, supplemented or revised. The County also makes certain covenants in the Bond Ordinance with respect to compliance with the requirements of Section 148(f) of the Code, relating to the rebate of "excess arbitrage profits."

Payment and Discharge

The Authorized Bonds may be discharged, payment provided for, and the County's liability terminated as follows:

(a) *Discharge of Indebtedness*. If (i) the County shall pay or cause to be paid to the registered owners of Authorized Bonds the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated in such Authorized Bonds and the Bond Ordinance, (ii) all fees and expenses of the Trustee shall have been paid, and (iii) the County shall keep, perform and observe all and singular the covenants and promises in such Authorized Bonds and in the Bond Ordinance expressed as to be kept, performed and observed by it or on its part, then the rights granted by the Bonds and the Bond Ordinance shall cease, determine and be void. If the County shall pay or cause to be paid to the registered owners of a particular series of Authorized Bonds, or of a particular maturity thereof, the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated in such Authorized Bonds and the Bond Ordinance, such Authorized Bonds shall cease to be entitled to any lien, benefit or security under the Bond Ordinance, and all covenants, agreements and obligations of the County to the holders of such Authorized Bonds shall thereupon cease, terminate and become void and discharged and satisfied.

(b) *Provision for Payment*. Authorized Bonds for the payment or redemption or prepayment of which sufficient monies or sufficient Defeasance Obligations shall have been deposited with the Trustee or an escrow agent having fiduciary capacity (whether upon or prior to the maturity or the redemption date of such Authorized Bonds), and for Taxable Authorized Bonds authorized pursuant to the Code and as designated pursuant to the Bond Ordinance, the interest on which, but for provisions of the Code or one or more regulations of the United Stated Treasury, would be excludable from gross income of the owners thereof under the Code for federal income tax purposes, accompanied by an opinion of Co-Bond Counsel as to compliance with the covenants with respect to such Authorized Bonds, and accompanied by an express declaration of defeasance of such Authorized Bonds by the County Board, shall be deemed to be paid within the meaning of the Bond Ordinance and no longer outstanding under

the Bond Ordinance; provided, however, that if such Authorized Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given as provided in the Bond Ordinance or arrangements satisfactory to the Trustee shall have been made for the giving thereof. Defeasance Obligations shall be considered sufficient only if said investments mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest or principal and redemption premiums if any when due on such Authorized Bonds without rendering the interest on any such Tax-Exempt Bonds taxable under the Code.

(c) Termination of County's Liability. Upon the discharge of indebtedness under paragraph (a) above, or upon the deposit with the Trustee of sufficient money and Defeasance Obligations (such sufficiency being determined as provided in paragraph (b) above) for the retirement of any particular Authorized Bond or Bonds, all liability of the County in respect of such Bond or Bonds shall cease, determine and be completely discharged and the holders thereof shall thereafter be entitled only to payment out of the money and the proceeds of the Defeasance Obligations deposited with aforesaid for their payment.

Events of Default

Each of the following events constitutes an "Event of Default" under the Bond Ordinance:

(A) If default shall be made in the payment of the principal of or redemption premium, if any, either at maturity or by proceedings for redemption or otherwise; or

(B) If default shall be made in the payment of any installment of interest on any Outstanding Bond when and as such installment of interest shall become due and payable; or

(C) If the County shall (1) commence a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, (2) make an assignment for the benefit of its creditors, (3) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (4) be adjudicated a bankrupt or any petition for relief is filed in respect of an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law and such order continue in effect for a period of sixty (60) days without stay or vacation; or

(D) If a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the County, or of the whole or any substantial part of its property, or approving a petition seeking reorganization of the County under the federal bankruptcy laws or any other applicable federal or state law or statute and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof; or

(E) If under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the County or of the whole or any substantial part of its property, and such custody or control shall not be terminated or stayed within sixty (60) days from the date of assumption of such custody or control.

Enforcement

Upon the happening and continuance of any Event of Default, the Trustee may, and upon the written request of the registered owners of twenty-five percent (25%) in principal amount of the Authorized Bonds affected by the Event of Default and then outstanding under the Bond Ordinance proceed to protect and enforce its rights and the rights of the holders of the Authorized Bonds by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained in the Bond Ordinance or in aid or execution of any power granted in the Bond Ordinance or for any enforcement of any proper legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce the rights aforesaid.

During the continuance of an Event of Default, all Pledged Taxes received by the Trustee under the Bond Ordinance from the County shall be applied by the Trustee in accordance with the terms of the Bond Ordinance described in this Appendix E under "Application of Moneys After Default."

Notices of Default Under Ordinance

Promptly after the occurrence of an Event of Default or the occurrence of an event which, with the passage of time or the giving of notice or both, would constitute an Event of Default, the Trustee shall mail to the Bondholders at the address shown on the applicable Bond Register and also directly to any beneficial owner of $500,000 or more in aggregate principal amount of the applicable Authorized Bonds then outstanding at such address as the Trustee shall obtain from DTC, or its successor or a successor depository qualified to clear securities under applicable state and federal law, notice of all Events of Default or such events known to the Trustee unless such defaults or prospective defaults shall have been cured before the giving of such notice.

Termination of Proceedings By Trustee

In case any proceedings taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the County, the Trustee, and the applicable Authorized Bondholders shall be restored to their former positions and rights under the Bond Ordinance, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Right of Holders to Control Proceedings

Anything in the Bond Ordinance to the contrary notwithstanding, the registered owners of a majority in principal amount of the applicable Authorized Bonds then outstanding shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Bond Ordinance in respect of the applicable Authorized Bonds, respectively; *provided* that such direction shall not be otherwise than in accordance with law and the Trustee shall be indemnified to its satisfaction against the costs, expenses and liabilities to be incurred therein or thereby.

Right of Holders to Institute Suit

No holder of any of the applicable Authorized Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Bond Ordinance, or for any other remedy under the Bond Ordinance or on the applicable Authorized Bonds unless such holder previously shall have given to the Trustee written notice of an Event of Default as provided in the Bond Ordinance, and unless also the registered owners of twenty-five percent (25%) in principal amount of the Authorized Bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers, or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Bond Ordinance, or to institute such action, suit, or proceeding in its name; and unless, also, there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Bond Ordinance or for any other remedy under the Bond Ordinance; it being understood and intended that no one or more holders of the applicable Authorized Bonds shall have any right in any manner whatever by his, her or their action to affect, disturb or prejudice the security of the Bond Ordinance, or to enforce any right under the Bond Ordinance, except in the manner therein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Bond Ordinance and for the equal benefit of all holders of the outstanding applicable Authorized Bonds.

Nothing contained in the Bond Ordinance shall, however, affect or impair the right of each Bondholder, which is absolute and unconditional, to enforce the payment of the principal of and redemption premium, if any, and interest on his or her Authorized Bonds, out of the Bond Fund or the obligation of the County to pay the same, at the time and place expressed in the applicable Authorized Bonds.

Suits By Trustee

All rights of action under the Bond Ordinance, or under any of the Authorized Bonds enforceable by the Trustee, may be enforced by it without the possession of any of the Authorized Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, or proceeding, instituted by the Trustee shall be brought in its name for the ratable benefit of the holders of the Authorized Bonds affected by such suit or proceeding, subject to the provisions of the Bond Ordinance.

Remedies Cumulative

No remedy under the Bond Ordinance conferred upon or reserved to the Trustee or the owners of the applicable Authorized Bonds, is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under the Bond Ordinance or now or hereafter existing at law or in equity or by statute.

Waiver of Default

No delay or omission of the Trustee or of any owner of Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given to the Trustee and the owners of Authorized Bonds, respectively, may be exercised from time to time, and as often as may be deemed expedient. In the event any Event of Default shall be waived by the owners of Authorized Bonds or the Trustee, acting at the direction, or with the consent of, the owners of such Authorized Bonds, such waiver shall be limited to the particular Event of Default so waived and shall not be deemed to waive any other Event of Default under the Bond Ordinance.

Application of Monies After Default

The County covenants that if an Event of Default shall happen and shall not have been remedied, the Trustee shall apply all monies, securities and funds received by the Trustee pursuant to any right given or action taken as follows:

(1) First, to the payment of all reasonable costs and expenses of collection, fees, and other amounts due to the Trustee under the Bond Ordinance; and thereafter

(2) Second, to the payment of amounts, if any, payable to the United States Treasury pursuant to the tax agreement executed and delivered by the County with respect to the Bonds;

(3) All such remaining monies shall be applied as follows:

(A) first, to the payment to the persons entitled thereto of all installments of interest on outstanding Authorized Bonds then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

(B) second, to the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the outstanding Authorized Bonds which shall have become due (other than Authorized Bonds matured or called for redemption for the payment of which monies are held pursuant to the provisions of the Bond Ordinance), in the order of their due dates, with interest upon such Authorized Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full outstanding Authorized Bonds due on any particular date, together with such premium, then to the payment ratably according to the amount of such principal and premium due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

(C) third, to the payment of Swap Payments (as defined in the Bond Ordinance).

Whenever monies are to be applied by the Trustee pursuant to the provisions described above, such monies shall be applied by the Trustee at such times, and from time to time, as the Trustee shall determine upon consultation with the County, having due regard to the amount of such monies available for application and the likelihood of additional monies becoming available for such application in the future. The deposit of such monies with the paying agents, or otherwise setting aside such monies, in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the County, to any Bondholder or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Bond Ordinance as may be applicable at the time of application by the Trustee. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and of the endorsement to be entered on each Authorized Bond on which payment shall be made, and shall not be required to make payment to the holder of any unpaid Authorized Bond until such Authorized Bond shall be presented to the Trustee for appropriate endorsement, or some other procedure deemed satisfactory by the Trustee.

Supplemental Ordinances

Supplemental ordinances may be passed as follows:

(a) Supplemental Ordinances Not Requiring Consent of the Owners of Authorized Bonds. The County, by the County Board, and the Trustee from time to time and at any time, subject to the conditions and restrictions in the Bond Ordinance, may pass and accept an ordinance or ordinances supplemental to the Bond Ordinance, which ordinance or ordinances thereafter shall form a part of the Bond Ordinance, for any one or more of the following purposes:

(i) To add to the covenants and agreements of the County in the Bond Ordinance, other covenants and agreements thereafter to be observed or to surrender, restrict or limit any right or power reserved in the Bond Ordinance to or conferred upon the County;

(ii) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Bond Ordinance, or in regard to matters or questions arising under the Bond Ordinance, as the County may deem necessary or desirable and not inconsistent with the Bond Ordinance and which in the opinion of the Trustee shall not adversely affect the interests of the registered owners of the Authorized Bonds, as evidenced by an opinion of counsel delivered to the Trustee;

(iii) To designate one or more tender or similar agents of the Trustee, bond registrars or paying agents;

(iv) To comply with the provisions of the Bond Ordinance relating to payment and discharge when money and the Defeasance Obligations designated therein sufficient to provide for the retirement of Authorized Bonds shall have been deposited with the Trustee; and

(v) as to Authorized Bonds which are authorized but unissued under the Bond Ordinance to change in any way the terms upon which such Authorized Bonds may be issued or secured.

Any supplemental ordinance authorized by the above-described provisions may be passed by the County and accepted by the Trustee without the consent of or notice to the registered owners of any of the Authorized Bonds at the time outstanding, notwithstanding any of the provisions of paragraph (b) below, but the Trustee shall not be obligated to accept any such supplemental ordinance which affects the Trustee's own rights, duties or immunities under the Bond Ordinance or otherwise.

(b) Supplemental Ordinances Requiring Consent of the Owners of Authorized Bonds. With the consent of the registered owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding, the County, by the County Board, may pass, and the Trustee may accept from time to time and at any time an ordinance or ordinances supplemental to the Bond Ordinance for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Bond Ordinance or of any supplemental ordinance; *provided* that no such modification or amendment shall extend the maturity or reduce the interest rate on or permit the creation of a preference or priority of any outstanding Authorized Bond or outstanding Authorized Bonds over any other outstanding Authorized Bond or outstanding Authorized Bonds, or otherwise alter or impair the obligation of the County to pay the principal, interest or redemption premium, if any, at the time and place and at the rate and in the currency provided therein of any Authorized Bond, without the express consent of the registered owner of such Bond or permit the creation of a preference or priority of any Authorized Bond or Authorized Bonds over any other Authorized Bond or Authorized Bonds, or reduce the percentage of Authorized Bonds, respectively, required for the affirmative vote or written consent to an amendment or modification, or deprive the registered owners of the Authorized Bonds (except as aforesaid) of the right to payment of the Authorized Bonds from the Pledged Taxes or alter or impair the obligations of the County with respect to tax exempt status, the registration, transfer or exchange or notice of redemption of Authorized Bonds without the consent of the registered owners of all the outstanding Authorized Bonds affected; nor shall any such modification or amendment reduce the percentage of the registered owners of outstanding Authorized Bonds required for the written consent of such modification or amendment without the consent of the owners of all of the outstanding Authorized Bonds. Upon receipt by the Trustee of a certified copy of such ordinance and upon the filing with the Trustee of evidence of the consent of the owners of Authorized Bonds as aforesaid, the Trustee shall accept unless such supplemental ordinance affects the Trustee's own rights, duties or immunities under the Bond Ordinance or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, accept such supplemental ordinance.

Promptly after the passage by the County and the acceptance by the Trustee of any supplemental ordinance pertaining to the Authorized Bonds pursuant to the provisions described in paragraph (b) above, the County shall publish a notice, setting forth in general terms the substance of such supplemental ordinance, at least once in a financial newspaper or journal printed in the English language, customarily published on each business day and of general circulation among dealers in municipal securities in the City of New York, New York. If, because of temporary or permanent suspension of the publication or general circulation of any financial newspaper or journal or for any other reason it is impossible or impractical to publish such notice of supplemental ordinance in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute sufficient publication of notice. Any failure of the County to given such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental ordinance.

Eligibility of Trustee

The Bond Ordinance shall always have a Trustee that is a commercial bank with trust powers or a trust company organized and doing business under the laws of the United States of America or any state or the District of Columbia, is authorized under such laws and the laws of the State to exercise corporate trust powers and is subject to supervision or examination by United States of America or State authority. If at any time the Trustee ceases to be eligible in accordance with this paragraph, the Trustee shall resign immediately as set forth in the Bond Ordinance.

Replacement of Trustee

The Trustee may resign with thirty (30) days' written notice to the County, effective upon the execution, acknowledgment and delivery by a successor Trustee to the County of appropriate instruments of succession. Provided that no Event of Default shall have occurred and be continuing, the County may remove the Trustee and appoint a successor Trustee at any time by an instrument or concurrent instruments in writing delivered to the Trustee; *provided, however,* that the holders of a majority in aggregate principal amount of the Authorized Bonds outstanding at the time may at any time remove the Trustee and appoint a successor Trustee by an instrument or concurrent instrument in writing signed by such owners of Authorized Bonds, and further provided that any conflict between the County and such holders regarding such removal and appointment shall be resolved in favor of such holders. Such successor Trustee shall be a corporation authorized under applicable laws to exercise corporate trust powers and may be incorporated under the laws of the United States of America or of the State. Such successor Trustee shall in all respects meet the requirements set forth in the preceding paragraph.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the County shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the County. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee; the resignation or removal of the retiring Trustee shall then (but only then) become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under the Bond Ordinance.

If a successor Trustee does not take office within sixty (60) days after the retiring Trustee resigns or is removed, the retiring Trustee, the County or the registered owners a majority in principal amount of the Bonds then outstanding may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust assets) to, another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

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